

**TOOELE COUNTY**

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**Financial Statements  
and  
Independent Auditors' Report  
with Supplemental Information  
December 31, 2004**

# TOOELE COUNTY

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# TOOELE COUNTY

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**INDEPENDENT AUDITORS' REPORT**

Honorable Board of County Commissioners  
Tooele County, State of Utah:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Tooele County, State of Utah (the County)**, as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, Issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Tooele County, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, and the respective budgetary comparison for the General Fund thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 15, 2005 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 2 through 10, and the condition assessment of the County's infrastructure on pages 36 through 37, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The accompanying schedule of expenditures of federal awards, as listed in the table of contents, is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements of the County. The combining and individual nonmajor fund financial statements listed in the table of contents are presented for the purpose of additional analysis and are also not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

*Haynie & Co*

Salt Lake City, Utah  
August 15, 2005

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## Management's Discussion and Analysis

This discussion of Tooele County's financial performance provides an overview of the County's financial activities for the year ending December 31, 2004. This report is in conjunction with the County's financial statements.

The purpose of the County is to provide general services to its residents, which include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. Additional services provided to residents in the unincorporated areas include road maintenance and fire control.

### Financial Highlights

- ♦ The assets of Tooele County exceeded its liabilities as of the close of the most recent year by \$79,690,772 (*net assets*). Of this amount, \$10,563,614 (*unrestricted net assets*) may be used to meet the government's ongoing obligations to citizens and creditors.
- ♦ The government's total net assets increased by \$5,029,761. The revenues met or exceeded the adopted budgeted amounts, and expenditures were less than the adopted budgeted amounts.
- ♦ At the close of the current year, the Tooele County governmental funds reported combined ending fund balances of \$15,168,658, an increase of \$4,725,905 in comparison with the prior year. Approximately 81 percent of this total amount, \$12,224,574, is available for spending at the government's discretion (*unreserved fund balance*).
- ♦ At the end of the current year, unreserved fund balance for the general fund was \$9,994,959, or 65 percent of total general fund expenditures.
- ♦ Tooele County's total debt decreased by \$632,128 during the current year.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to Tooele County's basic financial statements. Tooele County's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

#### Government-wide financial statements

The *government-wide financial statements* are designed to provide readers with a broad overview of Tooele County's finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all of Tooele County's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of Tooele County is improving or deteriorating.

The *statement of activities* presents information showing how the government's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of Tooele County that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges. The governmental activities of Tooele County include general government, public safety, public health, highways and public improvements, parks and recreation, and economic development. The business-type activities of Tooele County include Desert Peak, the landfill operation, and the airport.

The government-wide financial statements include not only Tooele County itself (known as the primary government), but also a legally separate special service district for recreation, for which Tooele County is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

Refer to the table of contents for the location of the government-wide financial statements.

#### **Fund financial statements**

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Tooele County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of Tooele County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

#### **Governmental funds**

*Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on balance of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

Tooele County maintains nine individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the public health fund, which are considered to be major funds. Data from the other seven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

Tooele County adopts an annual appropriated budget for all its governmental funds. Budgetary comparison statements have been provided for the general fund and major special revenue funds to demonstrate compliance with those budgets.

Refer to the table of contents for the location of the basic governmental fund financial statements.

#### **Proprietary funds**

Tooele County maintains two types of proprietary funds—Enterprise funds and Internal Service funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. Tooele County uses enterprise funds to account for its Deseret Peak, landfill, and airport operations. *Internal Service funds* are presented as *governmental activities* in the government-wide financial statements and are used to account for the central stores and service equipment operations.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for Desert Peak, the landfill, and the airport, which are all considered to be major funds of Tooele County.

Refer to the table of contents for the location of the basic proprietary fund financial statements.

#### Fiduciary funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support Tooele County's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Refer to the table of contents for the location of the basic fiduciary fund financial statements.

#### Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes are part of the basic financial statements.

#### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning Tooele County.

The combining statements referred to earlier in connection with non-major governmental funds and the enterprise fund is presented immediately following the required supplementary information.

#### Government-wide financial analysis

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of Tooele County, assets exceeded liabilities by \$79,690,772 at the close of the most recent fiscal year.

By far the largest portion of Tooele County's net assets (83 percent) reflects its investment in capital assets (e.g. land, buildings and improvements, furniture, fixtures, and equipment, and infrastructure), less any related debt used to acquire those assets that is still outstanding. Tooele County uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although Tooele County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### Tooele County's Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$ 17,573,738	\$ 13,174,479	\$ 1,870,580	\$ 2,017,095	\$ 19,444,318	\$ 15,191,574
Capital assets	48,413,270	48,686,758	22,933,099	24,049,009	71,346,369	72,735,767
Total assets	65,987,008	61,861,237	24,803,679	26,066,104	90,790,687	87,927,341
Long-term liabilities outstanding	908,000	1,045,000	3,211,278	3,558,103	4,119,278	4,603,103
Other liabilities	2,430,291	3,028,387	4,550,345	5,634,840	6,980,636	8,663,227
Total liabilities	3,338,291	4,073,387	7,761,623	9,192,943	11,099,914	13,266,330
Net Assets:						
Invested in capital assets, net of related debt	46,722,164	46,980,926	19,374,998	20,015,230	66,097,161	66,996,156
Restricted	2,944,084	2,158,783	85,913	50,343	3,029,997	2,209,126
Unrestricted	12,982,469	8,648,141	(2,418,855)	(3,192,412)	10,563,614	5,455,729
Total net assets	\$ 62,648,717	\$ 57,787,850	\$ 17,042,056	\$ 16,873,161	\$ 79,690,772	\$ 74,661,011

A portion of Tooele County's net assets (4 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* (\$10,563,614) may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the year, Tooele County is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior year.

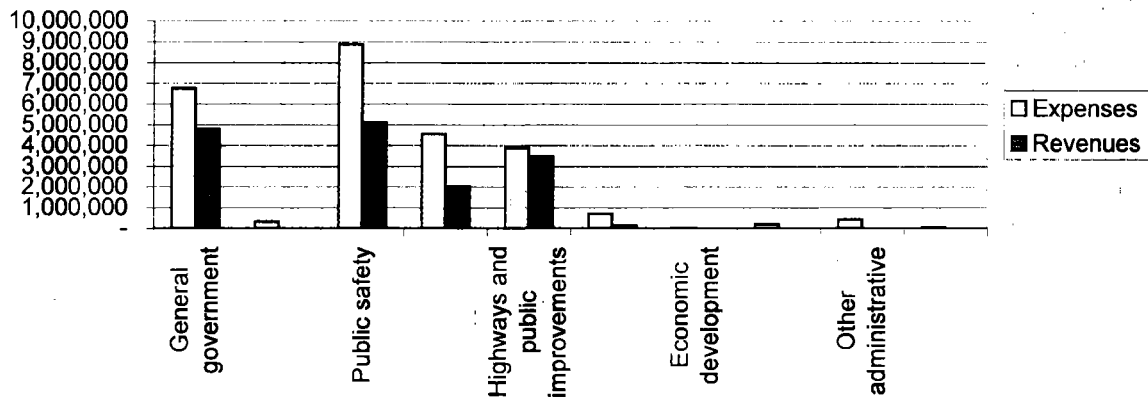
#### Governmental activities

Governmental activities increased Tooele County's net assets by \$4,860,867. Key elements of this increase are as follows:

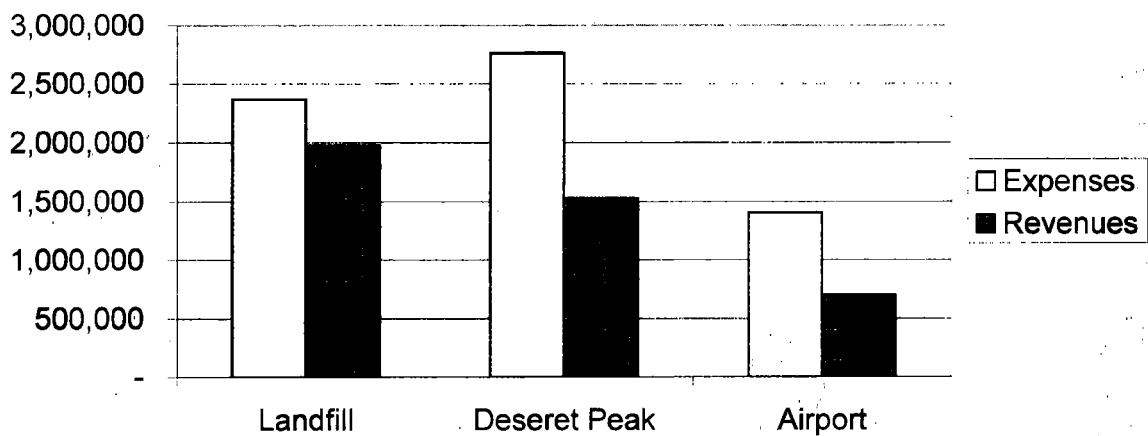
#### Tooele County's Changes in Net Assets

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues:						
Program revenues:						
Charges for services	\$ 2,387,068	\$ 7,637,174	\$ 2,580,521	\$ 2,830,494	\$ 4,967,589	\$ 10,467,668
Operating grants and contributions	13,159,012	9,975,178	3,952	2,900	13,162,964	9,978,078
Capital grants and contributions	-	-	277,413	1,006,007	277,413	1,006,007
General revenues:						
Property taxes	5,295,041	5,170,006	-	-	5,295,041	5,170,006
Earnings on investments	162,031	52,220	9,491	11,649	171,522	63,869
Miscellaneous	9,622,549	8,316,567	1,331,173	1,289,117	10,953,722	9,605,684
Total revenues	30,625,701	31,151,145	4,202,550	5,140,167	34,828,251	36,291,312
Expenses:						
General government	6,756,204	7,106,007	-	-	6,756,204	7,106,007
Tourism and promotion	312,936	345,996	-	-	312,936	345,996
Public safety	8,877,030	11,162,433	-	-	8,877,030	11,162,433
Public health	4,560,007	4,552,379	-	-	4,560,007	4,552,379
Highways and public improvements	3,894,754	2,317,963	-	-	3,894,754	2,317,963
Parks and recreation	710,034	586,577	-	-	710,034	586,577
Economic development	13,052	12,429	-	-	13,052	12,429
Capital projects	181,880	1,029,705	-	-	181,880	1,029,705
Other administrative	423,038	369,053	-	-	423,038	369,053
Interest on long-term debt	35,900	68,057	-	-	35,900	68,057
Landfill	-	-	2,365,168	2,143,585	2,365,168	2,143,585
Deseret Peak	-	-	2,763,239	3,128,808	2,763,239	3,128,808
Airport	-	-	1,405,248	2,079,724	1,405,248	2,079,724
Total expenses	25,764,834	27,550,599	6,533,655	7,352,117	32,298,489	34,902,716
Incr. (decr.) in net assets before transfers	4,860,867	3,600,546	(2,331,106)	(2,211,950)	2,529,762	1,388,596
Transfers in (out)	-	-	2,500,000	-	2,500,000	-
Increase (decrease) in net assets	4,860,867	3,600,546	168,895	(2,211,950)	5,029,762	1,388,596
Net assets - beginning	57,787,850	54,187,304	16,873,161	19,085,111	74,661,011	73,272,415
Net assets - ending	\$ 62,648,717	\$ 57,787,850	\$ 17,042,056	\$ 16,873,161	\$ 79,690,773	\$ 74,661,011

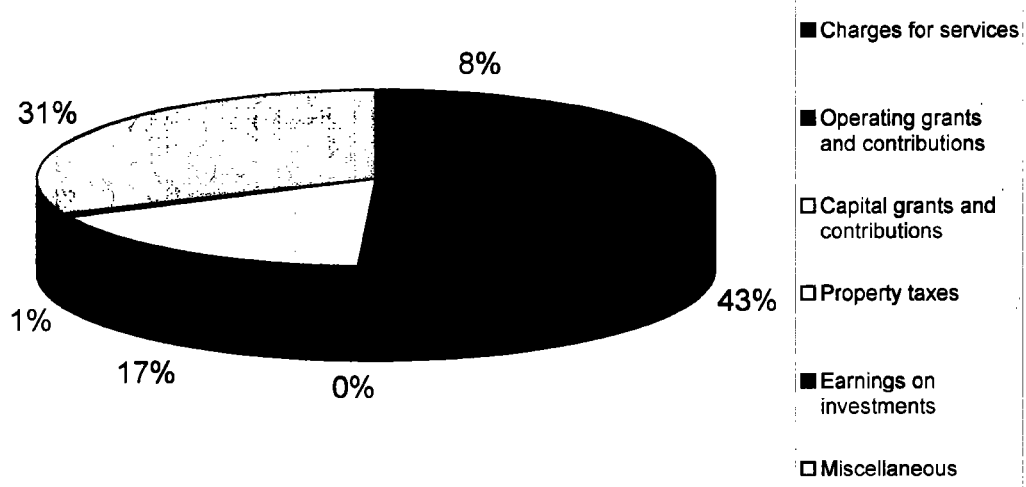
### Expenses and Program Revenues - Governmental Activities



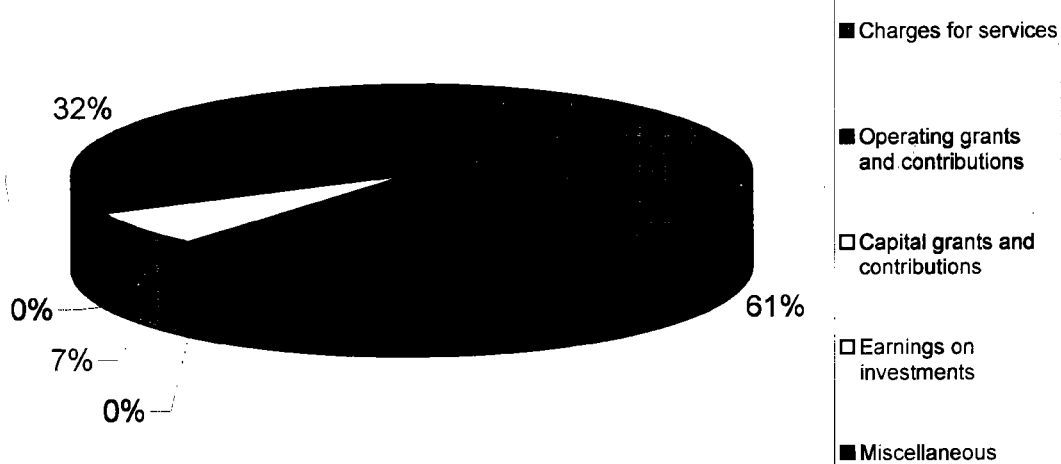
### Expenses and Program Revenues - Business-Type Activities



### Revenues by Source - Governmental Activities



### Revenues by Source - Business-Type Activities



- ◆ Charges for services decreased by \$5,250,106 due mainly to jail fees, fines, licenses and permits, and public health charges.
- ◆ Operating grants increased by \$3,183,834 due mainly to an increase in general government, road funding, and public health.
- ◆ Property taxes increased by \$125,035 due to an increase in assessing and collecting of property taxes.
- ◆ Miscellaneous other revenue increased by \$1,305,982 due to an increase in mitigation fees.

For the most part, increases in expenses closely paralleled inflation and growth in the demand for services. Two noteworthy exceptions, however, were Tooele County's public safety, which decreased by \$2,285,403 due to decreased public safety costs, and capital projects, which decreased by \$847,825 due to reduced capital spending.

#### **Business-type activities**

Business-type activities increased Tooele County's net assets by \$168,895 (1 percent increase). Seven percent was the total growth in the government's net assets. Key elements of this increase are as follows:

- ◆ The total increase in the business-type activities is attributed to fewer Deseret Peak expenses and a \$2,500,000 transfer in from the Hospital District.
- ◆ The revenues met or exceeded the adopted budget amounts, and expenses were less than the adopted budget amounts.

#### **Financial Analysis of the Government's Funds**

As noted earlier, Tooele County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

#### **Governmental funds**

The focus of Tooele County's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing Tooele County's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the year.

At the end of the year, Tooele County's governmental funds reported combined ending fund balances of \$62,648,717, an increase of \$4,860,867 in comparison with the prior year. Approximately 21 percent of this amount (\$12,982,469) constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed: 1) to capital improvements (\$610,852), 2) to debt service (\$212,534), 3) to workers compensation and early retirement (\$1,755,793), and 4) to prepaid expenses (\$364,905).

The general fund is the chief operating fund of Tooele County. At the end of the current year, unreserved fund balance of the general fund was \$9,994,959, while total fund balance reached \$12,112,988. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 65 percent of total general fund expenditures, while total fund balance represents 78 percent of that same amount.

#### **Proprietary funds**

Tooele County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the enterprise funds at the end of the year amounted to (\$2,418,855). Other factors concerning the finances of these funds have already been addressed in the discussion of Tooele County's business-type activities.

#### **General Fund Budgetary Highlights**

Differences between the original budget and the final amended budget are mainly due to decreased C.S.E.P.P. Emergency Management revenue of \$259,000, increased mitigation fees contribution revenue of \$3,413,500, increased emergency management expenditures of about \$500,000, more miscellaneous expenditures of about \$2,000,000, and less appropriation dependency of about \$1,900,000.

Actual revenues of \$22,564,026 exceeded final budgeted revenues by \$81,105. Increased intergovernmental revenues and mitigation fees were above management's projections.

The final adopted budget for General Fund expenditures was \$19,725,041 in 2004, which represents a 2% decrease over the 2003 adopted budget.

Expenditures were \$15,472,536, or approximately 22% less than the final adopted budget. Most of the under-expended amount occurred in the County's general government, public safety, and other administrative organizations.

#### **Capital Asset and Debt Administration**

##### **Capital assets**

Tooele County's investment in capital assets for its governmental activities, as of December 31, 2004, amounts to \$48,413,270 (net of accumulated depreciation). This investment in capital assets includes land, buildings and improvements, furniture, fixtures, and equipment, and infrastructure, which includes roads, highways, and bridges. The total decrease in Tooele County's investment in capital assets for the current year was \$273,488.

Major capital asset events during the current year included the following:

- ◆ Furniture, fixtures, and equipment purchases of \$1,770,416, and dispositions of \$1,108,450.

Also, the County has elected to use the modified approach to account for its infrastructure assets, such as roads and bridges. That information can be found in the required supplementary information following the notes to the financial statements.

**Tooele County's Capital Assets**  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Land	\$ 3,362,268	\$ 3,362,268	\$ 459,295	\$ 459,295	\$ 3,821,563	\$ 3,821,563
Buildings and improvements	5,791,929	6,126,032	21,636,339	22,824,518	27,428,268	28,950,550
Furniture, fixtures, and equipment	1,150,713	1,090,098	837,465	765,196	1,988,178	1,855,294
Infrastructure	38,108,360	38,108,360	-	-	38,108,360	38,108,360
Total	\$ 48,413,270	\$ 48,686,758	\$ 22,933,099	\$ 24,049,009	\$ 71,346,369	\$ 72,735,767

Additional information on Tooele County's capital assets can be found in the notes to the financial statements.

**Long-term debt**

At the end of the current year, Tooele County had total debt outstanding of \$4,603,101. The debt represents lease revenue bonds, sales tax revenue bonds, contracts/notes payable, and capital lease obligations.

**Tooele County's Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Lease revenue bonds	\$ 1,045,000	\$ 1,178,000	\$ 1,681,943	\$ 1,856,724	\$ 2,726,943	\$ 3,034,724
Sales tax revenue bonds	-	-	1,598,000	1,678,000	1,598,000	1,678,000
Equipment contract payable	-	23,450	-	-	-	23,450
Water rights contract payable	-	-	-	-	-	-
Note payable	-	-	166,315	327,480	166,315	327,480
Capital lease obligations	-	-	111,843	171,575	111,843	171,575
Total	\$ 1,045,000	\$ 1,201,450	\$ 3,558,101	\$ 4,033,779	\$ 4,603,101	\$ 5,235,229

State statutes limit the amount of general obligation debt a governmental entity may issue to 2 percent of its total fair market value of taxable property in the County. The current debt limitation for Tooele County is \$33,589,314.

Additional information on Tooele County's long-term debt can be found in the notes to the financial statements.

**Economic Factors and Next Year's Budgets and Rates**

- ♦ The unemployment rate for Tooele County is 7.2 percent, which is a decrease from a rate of 9.1 a year ago. This is higher than the State's average unemployment rate of 4.8 percent and the national average rate of 5.6 percent, which is consistent with prior years because of our rural nature.
- ♦ New residential construction increased by approximately 39 percent; however, total permit construction decreased by approximately 22 percent. Total permit-authorized construction in 2004 was \$93,603,000 compared to 119,864,000 in 2003. This indicates a slight deceleration in our economic activity.

All of these factors were considered in preparing Tooele County's budget for the 2004 and 2005 years.

**Requests for Information**

This financial report is designed to provide a general overview of Tooele County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report, or requests for additional financial information such as reports for component units, should be addressed to the Tooele County Auditor, 47 South Main Street, Tooele, Utah, 84074.

# TOOELE COUNTY

## Statement of Net Assets December 31, 2004

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
<b>Assets:</b>				
Cash and investments	\$ 11,052,846	\$ 1,515,534	\$ 12,568,380	\$ 66,858
Receivables (net, where applicable, of allowances for estimated uncollectible amounts):				
Accounts	323,756	269,133	592,889	7,204
Taxes	727,538	-	727,538	-
Due from other governmental units	1,081,972	-	1,081,972	-
Inventories	12,721	-	12,721	-
Interfund receivables	4,010,000	-	4,010,000	-
Prepaid expenses	364,905	85,913	450,818	-
Capital assets, net of depreciation:				
Land	3,362,268	459,295	3,821,563	-
Buildings and improvements	5,791,929	21,636,339	27,428,268	-
Furniture, fixtures, and equipment	1,150,713	837,465	1,988,178	-
Infrastructure	38,108,360	-	38,108,360	-
<b>Total assets</b>	<b>65,987,008</b>	<b>24,803,679</b>	<b>90,790,687</b>	<b>74,062</b>
<b>Liabilities:</b>				
Accounts payable and accrued expenses	920,112	193,522	1,113,634	18,225
Accrued interest payable	20,957	-	20,957	-
Due to other governmental units	36,908	-	36,908	-
Interfund payables	-	4,010,000	4,010,000	-
Accrued liability for vested compensated absences	990,913	-	990,913	-
Long-term debt and capital lease obligations:				
Due within one year	137,000	346,823	483,823	-
Due in more than one year	908,000	3,211,278	4,119,278	-
Deferred revenue	324,401	-	324,401	-
<b>Total liabilities</b>	<b>3,338,291</b>	<b>7,761,623</b>	<b>11,099,914</b>	<b>18,225</b>
<b>Net assets:</b>				
Invested in capital assets, net of related debt	46,722,164	19,374,998	66,097,161	-
Restricted for:				
Capital improvements	610,852	-	610,852	55,837
Debt service	212,534	-	212,534	-
Workers compensation and early retirement	1,755,793	-	1,755,793	-
Prepaid expenses	364,905	85,913	450,818	-
Unrestricted	12,982,469	(2,418,855)	10,563,614	-
<b>Total net assets</b>	<b>\$ 62,648,717</b>	<b>\$ 17,042,056</b>	<b>\$ 79,690,772</b>	<b>\$ 55,837</b>

See accompanying notes to financial statements.

# TOOELE COUNTY

## Statement of Activities

For the Year Ended December 31, 2004

Functions:	Program Revenues					Net (Expense) Revenues and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants/Contributions		Capital Grants/Contributions	Primary Government		Component Unit
			Operating Grants/Contributions	Capital Grants/Contributions		Governmental Activities	Business-Type Activities	
<b>Governmental activities:</b>								
General government	\$ 6,756,204	\$ 743,104	\$ 4,056,096	\$ -	-	\$ (1,957,004)	\$ (1,957,004)	\$ -
Tourism and promotion	312,936	-	-	-	-	(312,936)	(312,936)	-
Public safety	8,877,030	629,781	4,483,107	-	-	(3,764,142)	(3,764,142)	-
Public health	4,560,007	885,097	1,149,986	-	-	(2,524,924)	(2,524,924)	-
Highways and public improvements	3,894,754	1,462	3,469,823	-	-	(423,469)	(423,469)	-
Parks and recreation	710,034	127,624	-	-	-	(582,410)	(582,410)	-
Conservation and economic development	13,052	-	-	-	-	(13,052)	(13,052)	-
Capital projects	181,880	-	-	-	-	(181,880)	(181,880)	-
Other administrative	423,038	-	-	-	-	(423,038)	(423,038)	-
Interest on long-term debt	35,900	-	-	-	-	(35,900)	(35,900)	-
<b>Total governmental activities</b>	<b>25,764,834</b>	<b>2,387,068</b>	<b>13,159,012</b>	<b>-</b>	<b>-</b>	<b>(10,218,754)</b>	<b>(10,218,754)</b>	<b>-</b>
<b>Business-type activities:</b>								
Solid waste	2,365,168	1,962,962	-	-	-	-	(402,206)	(402,206)
Deseret Peak	2,763,239	460,586	-	-	-	-	(2,302,653)	(2,302,653)
Airport	1,405,248	156,973	3,952	277,413	277,413	-	(966,910)	(966,910)
<b>Total business-type activities</b>	<b>6,533,655</b>	<b>2,580,521</b>	<b>3,952</b>	<b>277,413</b>	<b>277,413</b>	<b>-</b>	<b>(3,671,769)</b>	<b>-</b>
<b>Total primary government</b>	<b>\$32,298,489</b>	<b>\$ 4,967,589</b>	<b>\$ 13,162,964</b>	<b>\$ 277,413</b>	<b>\$ 277,413</b>	<b>(10,218,754)</b>	<b>(3,671,769)</b>	<b>-</b>
<b>Component unit:</b>								
Recreation district	\$ 175,008	\$ 20,122	\$ 174,869	\$ -	-	-	-	19,983
<b>Total component unit</b>	<b>\$ 175,008</b>	<b>\$ 20,122</b>	<b>\$ 174,869</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>-</b>	<b>19,983</b>
<b>General revenues:</b>								
Property taxes	5,295,041	-	-	-	-	5,295,041	-	-
Earnings on investments	162,031	9,491	-	-	-	171,522	-	-
Miscellaneous	9,622,549	1,331,173	-	-	-	10,953,722	-	-
Transfers	-	2,500,000	-	-	-	2,500,000	-	-
<b>Total general revenues and transfers</b>	<b>15,079,621</b>	<b>3,840,664</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,920,285</b>	<b>-</b>	<b>-</b>
<b>Change in net assets</b>	<b>4,860,867</b>	<b>168,895</b>	<b>5,029,761</b>	<b>-</b>	<b>-</b>	<b>5,029,761</b>	<b>-</b>	<b>19,983</b>
<b>Net assets - beginning</b>	<b>57,787,850</b>	<b>16,873,161</b>	<b>74,661,011</b>	<b>-</b>	<b>-</b>	<b>74,661,011</b>	<b>-</b>	<b>35,854</b>
<b>Net assets - ending</b>	<b>\$ 62,648,717</b>	<b>\$ 17,042,056</b>	<b>\$ 79,690,772</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 79,690,772</b>	<b>\$ -</b>	<b>\$ 55,837</b>

**TOOELE COUNTY**  
**Balance Sheet - Governmental Funds**  
**December 31, 2004**

	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 6,430,886	\$ 3,504,922	\$ 9,935,808
Receivables:			
Accounts	296,682	26,150	322,832
Taxes	727,538	-	727,538
Due from other governmental units	922,331	159,641	1,081,972
Due from other funds	4,010,800	-	4,010,800
Inventory	-	-	-
Prepaid expenses	362,236	2,669	364,905
<b>Total assets</b>	<b><u>\$12,750,473</u></b>	<b><u>\$ 3,693,382</u></b>	<b><u>\$ 16,443,855</u></b>
<b><u>LIABILITIES AND FUND EQUITY</u></b>			
<b>Liabilities:</b>			
Accounts payable and accrued expenses	\$ 600,577	\$ 312,511	\$ 913,088
Due to other funds	-	800	800
Due to other governmental units	36,908	-	36,908
Deferred revenue	-	324,401	324,401
<b>Total liabilities</b>	<b><u>637,485</u></b>	<b><u>637,712</u></b>	<b><u>1,275,197</u></b>
<b>Fund equity:</b>			
Fund balance:			
Reserved	2,118,029	826,055	2,944,084
Unreserved	9,994,959	2,229,615	12,224,574
<b>Total fund equity</b>	<b><u>12,112,988</u></b>	<b><u>3,055,670</u></b>	<b><u>15,168,658</u></b>
<b>Total liabilities and fund equity</b>	<b><u>\$12,750,473</u></b>	<b><u>\$ 3,693,382</u></b>	<b><u>\$ 16,443,855</u></b>

**TOOELE COUNTY**  
Reconciliation of the Balance Sheet of Governmental Funds  
to the Statement of Net Assets  
December 31, 2004

**Total Fund Balances - Governmental Funds**

**\$ 15,168,658**

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.

48,413,270

Internal service funds are used by management to charge the costs of certain activities to individual funds. The assets and liabilities of those internal service funds that primarily benefit governmental entities are included with governmental activities in the statement of net assets.

1,123,659

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

(2,056,870)

**Total Net Assets - Governmental Activities**

**\$ 62,648,717**

**TOOELE COUNTY**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balances - Governmental Funds**  
**For the Year Ended December 31, 2004**

	<u>Major Funds</u>		
	<u>General</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>REVENUES:</b>			
Taxes	\$ 3,954,639	\$ 1,340,402	\$ 5,295,041
Licenses and permits	11,390	571,124	582,514
Intergovernmental revenues	6,884,083	4,832,924	11,717,007
Charges for services	1,345,636	846,956	2,192,592
Fines and forfeitures	723,544	-	723,544
Interest on investments	117,791	32,357	150,148
Mitigation fees	9,306,978	-	9,306,978
Other	219,965	95,606	315,571
<b>Total revenues</b>	<b>22,564,026</b>	<b>7,719,369</b>	<b>30,283,395</b>
<b>EXPENDITURES:</b>			
General government	5,835,770	968,788	6,804,558
Tourism and promotion	-	301,600	301,600
Public safety	8,427,290	-	8,427,290
Public health	-	4,394,827	4,394,827
Highways and public improvements	177,696	3,575,976	3,753,672
Parks and recreation	684,314	-	684,314
Conservation and economic development	12,579	-	12,579
Capital projects	-	175,292	175,292
Other administrative	334,887	-	334,887
Debt service:			
Principal retirement	-	133,000	133,000
Interest and fiscal charges	-	35,900	35,900
<b>Total expenditures</b>	<b>15,472,536</b>	<b>9,585,383</b>	<b>25,057,919</b>
<b>Excess of revenues over (under) expenditures</b>	<b>7,091,490</b>	<b>(1,866,014)</b>	<b>5,225,476</b>
<b>Other financing sources (uses):</b>			
Operating transfers in	789,857	2,427,772	3,217,629
Operating transfers (out)	(3,217,200)	(500,000)	(3,717,200)
Proceeds on sale of assets	-	-	-
Proceeds of issuance of long-term debt	-	-	-
<b>Total other financing sources (uses)</b>	<b>(2,427,343)</b>	<b>1,927,772</b>	<b>(499,571)</b>
<b>Net change in fund balance</b>	<b>4,664,147</b>	<b>61,758</b>	<b>4,725,905</b>
Fund balance, beginning of year	7,448,841	2,993,912	10,442,753
<b>Fund balance, end of year</b>	<b>\$ 12,112,988</b>	<b>\$ 3,055,670</b>	<b>\$ 15,168,658</b>

## TOOELE COUNTY

### Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Year Ended December 31, 2004

Amounts reported for governmental activities in the statement of activities are different because:

**Net Change in Fund Balances - Total Governmental Funds** **\$ 4,725,905**

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.

(273,488)

The liability for compensated absences is not recorded in the governmental funds, but is reported in the statement of net assets. This is the current year change in the liability, reported as an expense in the statement of activities.

(52,723)

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

156,450

Some expenses (accrued interest on long-term debt) reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

(20,957)

The change in internal balances between the governmental activities and the business-type activities relating to internal service funds is reflected in governmental activities but not in the governmental funds.

192,581

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of certain internal service funds is reported with governmental activities.

133,099

**Change in Net Assets of Governmental Activities**

**\$ 4,860,867**

# TOOELE COUNTY

## Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund For the Year Ended December 31, 2004

	Budgeted Amounts			Variance
	Original	Final	Actual	Favorable (Unfavorable)
<b>Revenues:</b>				
Taxes	\$ 3,775,000	\$ 3,835,000	\$ 3,954,639	\$ 119,639
Licenses and permits	10,000	11,500	11,390	(110)
Intergovernmental revenues	6,548,357	6,898,357	6,884,083	(14,274)
Charges for services	1,357,064	1,357,064	1,345,636	(11,428)
Fines and forfeitures	662,500	726,500	723,544	(2,956)
Interest on investments	30,000	35,000	117,791	82,791
Mitigation fees	7,812,456	9,313,500	9,306,978	(6,522)
Other	306,000	306,000	219,965	(86,035)
<b>Total revenues</b>	<b>20,501,377</b>	<b>22,482,921</b>	<b>22,564,026</b>	<b>81,105</b>
<b>Expenditures:</b>				
General government	6,294,092	6,297,392	5,835,770	461,622
Public safety	9,703,010	9,676,710	8,427,290	1,249,420
Highways and public improvements	530,633	402,633	177,696	224,937
Parks and recreation	562,619	714,619	684,314	30,305
Conservation and economic development	42,000	42,000	12,579	29,421
Other administrative	502,254	2,591,687	334,887	2,256,800
<b>Total expenditures</b>	<b>17,634,608</b>	<b>19,725,041</b>	<b>15,472,536</b>	<b>4,252,505</b>
<b>Excess of revenues over (under) expenditures</b>	<b>2,866,769</b>	<b>2,757,880</b>	<b>7,091,490</b>	<b>4,333,610</b>
<b>Other financing sources (uses):</b>				
Operating transfers in	479,681	588,570	789,857	201,287
Operating transfers (out)	(3,346,450)	(3,346,450)	(3,217,200)	129,250
Proceeds on sale of assets	-	-	-	-
Proceeds of issuance of long-term debt	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(2,866,769)</b>	<b>(2,757,880)</b>	<b>(2,427,343)</b>	<b>330,537</b>
<b>Net change in fund balance</b>	<b>-</b>	<b>-</b>	<b>4,664,147</b>	<b>4,664,147</b>
<b>Fund balance, beginning of year</b>	<b>7,448,841</b>	<b>7,448,841</b>	<b>7,448,841</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ 7,448,841</b>	<b>\$ 7,448,841</b>	<b>\$ 12,112,988</b>	<b>\$ 4,664,147</b>

# TOOELE COUNTY

Statement of Net Assets - Proprietary Funds  
December 31, 2004

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	
<b>Assets:</b>					
Cash and investments	\$ 629,957	\$ 673,981	\$ 211,596	\$ 1,515,534	\$ 1,117,038
Accounts receivable, net	244,204	17,796	7,133	269,133	924
Due from other governments	-	-	-	-	-
Inventories	-	-	-	-	12,721
Prepaid expenses	-	44,967	40,946	85,913	-
Property, plant, and equipment, net	1,436,787	15,668,462	5,827,850	22,933,099	365,764
<b>Total assets</b>	<u>2,310,948</u>	<u>16,405,206</u>	<u>6,087,525</u>	<u>24,803,679</u>	<u>1,496,447</u>
<b>Liabilities:</b>					
Accounts payable	82,378	60,893	50,251	193,522	7,024
Due to other funds	1,000,000	820,000	2,190,000	4,010,000	-
Long-term debt	-	1,876,158	1,683,371	3,559,529	-
<b>Total liabilities</b>	<u>1,082,378</u>	<u>2,757,051</u>	<u>3,923,622</u>	<u>7,763,051</u>	<u>7,024</u>
<b>Net Assets:</b>					
Invested in capital assets, net of related debt	1,436,787	13,792,304	4,144,479	19,373,570	365,764
Restricted	-	44,967	40,946	85,913	-
Unrestricted	(208,217)	(189,116)	(2,021,522)	(2,418,855)	1,123,659
<b>Total net assets</b>	<u>\$ 1,228,570</u>	<u>\$ 13,648,155</u>	<u>\$ 2,163,903</u>	<u>\$ 17,040,628</u>	<u>\$ 1,489,423</u>

# TOOELE COUNTY

Statement of Revenues, Expenses, and Changes in  
Fund Net Assets - Proprietary Funds  
For the Fiscal Year Ended December 31, 2004

	Business-Type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds
<b>Operating revenues:</b>				
Service charges	\$ 1,962,962	\$ 460,586	\$ 156,973	\$ 2,580,521
Intergovernmental revenue	-	-	3,952	3,952
Intertund lease payments	-	-	-	-
Sale of supplies	-	-	-	-
Other revenue	-	1,067,084	262,681	1,329,745
<b>Total operating revenues</b>	<u>1,962,962</u>	<u>1,527,650</u>	<u>423,606</u>	<u>3,914,218</u>
				<u>330,423</u>
<b>Operating expenses:</b>				
Solid waste facility	2,110,940	-	-	2,110,940
Deseret peak	-	1,832,562	-	1,832,562
Airport	-	-	922,738	922,738
General and administrative	-	-	-	-
Bad debt expense	7,200	-	-	7,200
Depreciation	236,795	930,677	418,541	1,586,013
<b>Total operating expenses</b>	<u>2,354,935</u>	<u>2,763,239</u>	<u>1,341,279</u>	<u>6,459,453</u>
	<u>(391,973)</u>	<u>(1,235,589)</u>	<u>(917,673)</u>	<u>(144,982)</u>
<b>Operating income (loss)</b>				
<b>Other financing sources:</b>				
Operating transfers in	2,500,000	-	-	2,500,000
<b>Total other financing sources</b>	<u>2,500,000</u>	<u>-</u>	<u>-</u>	<u>2,500,000</u>
<b>Non-operating revenues (expenses):</b>				
Federal and state grants	-	-	277,413	277,413
Interest on investments	8,206	-	1,285	9,491
Interest and other charges	(10,233)	-	(63,969)	(74,202)
<b>Total non-operating revenues (expenses)</b>	<u>(2,027)</u>	<u>-</u>	<u>214,729</u>	<u>212,702</u>
				<u>11,883</u>
<b>Change in net assets</b>				
	2,106,000	(1,235,589)	(702,944)	167,467
Net assets -- beginning of year	(877,430)	14,883,744	2,866,847	16,873,161
<b>Net assets -- end of year</b>	<u>\$ 1,228,570</u>	<u>\$ 13,648,155</u>	<u>\$ 2,163,903</u>	<u>\$ 17,040,628</u>
				<u>\$ 1,489,423</u>

**TOOELE COUNTY**  
**Statement of Cash Flows - Proprietary Funds**  
**For the Fiscal Year Ended December 31, 2004**

	Business-Type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
	Solid Waste Fund	Deseret Peak Fund	Airport Fund	Total Enterprise Funds	
<b>Cash flows from operating activities:</b>					
Receipts from customers and users	\$ 2,029,487	\$ 443,705	\$ 201,114	\$ 2,674,306	\$ -
Receipts from other governments	-	-	3,952	3,952	-
Receipts from interfund leases	-	-	-	-	252,178
Receipts from sale of supplies	-	-	-	-	74,543
Receipts of miscellaneous income	-	1,067,064	262,681	1,329,745	-
Payments for solid waste operations	(2,066,075)	-	-	(2,066,075)	-
Payments for Deseret Peak operations	-	(1,812,771)	-	(1,812,771)	-
Payments for airport operations	-	-	(923,806)	(923,806)	-
Payments for administration	-	-	-	-	(77,332)
Net cash provided (used) by operating activities	(36,588)	(302,002)	(456,059)	(794,649)	249,389
<b>Cash flows from noncapital financing activities:</b>					
Operating transfers in	2,500,000	-	-	2,500,000	-
Increases in due to other funds	-	820,000	335,000	1,155,000	-
Reduction in due to other funds	(2,217,000)	-	-	(2,217,000)	-
Net cash provided (used) by noncapital financing activities	283,000	820,000	335,000	1,438,000	-
<b>Cash flows from capital and related financing activities:</b>					
Purchase/disposal of capital assets	(28,493)	(411,132)	(30,478)	(470,103)	(308,172)
Proceeds from federal and state grants	-	-	277,413	277,413	-
Proceeds from issuance of bonds	-	-	-	-	-
Payment of bond principal	(135,388)	(275,509)	(63,353)	(474,250)	-
Interest paid	(10,233)	-	(63,969)	(74,202)	-
Net cash provided (used) by capital and related financing activities	(174,114)	(686,641)	119,613	(741,142)	(308,172)
<b>Cash flows from investing activities:</b>					
Interest income on investments	8,206	-	1,285	9,491	11,883
Net cash provided (used) by investing activities	8,206	-	1,285	9,491	11,883
<b>Net increase (decrease) in cash and cash equivalents</b>	80,504	(168,643)	(161)	(88,300)	(46,900)
Cash and cash equivalents, beginning of year	549,453	842,624	211,757	1,603,834	1,163,938
<b>Cash and cash equivalents, end of year</b>	<b>\$ 629,957</b>	<b>\$ 673,981</b>	<b>\$ 211,596</b>	<b>\$ 1,515,534</b>	<b>\$ 1,117,038</b>
<b>Reconciliation of total operating income (loss) to net cash provided (used) by operating activities:</b>					
Operating income (loss)	\$ (391,973)	\$ (1,235,589)	\$ (917,673)	\$ (2,545,235)	\$ (144,982)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>					
Depreciation and amortization	236,795	930,677	418,541	1,586,013	399,841
<b>Changes in assets and liabilities:</b>					
<b>(Increase) decrease in assets:</b>					
Accounts receivable, net	66,525	(16,881)	44,141	93,785	-
Due from other governments	-	-	-	-	-
Prepaid expenses	2,535	2,841	(40,946)	(35,570)	-
Inventories	-	-	-	-	(3,702)
Due from other funds	-	-	-	-	-
<b>Increase (decrease) in liabilities:</b>					
Accounts payable	49,530	16,950	39,878	106,358	(1,768)
Due to other funds	-	-	-	-	-
Net cash provided (used) by operating activities	(36,588)	(302,002)	(456,059)	(794,649)	249,389
<b>Supplemental disclosures:</b>					
Contributed capital from federal / state grants	\$ -	\$ -	\$ 277,413	\$ 277,413	\$ -
<b>Total contributed capital</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 277,413</b>	<b>\$ 277,413</b>	<b>\$ -</b>

See accompanying notes to financial statements.

**TOOELE COUNTY**  
**Statement of Fiduciary Net Assets**  
**Agency Funds**  
**December 31, 2004**

	<u>Agency Funds</u>
<b><u>ASSETS</u></b>	
Cash and investments	\$ 10,394,970
Accounts receivable	53,299
Taxes receivable	1,856,477
Due from other funds	-
<b>Total assets</b>	<b><u>\$ 12,304,746</u></b>
<b><u>LIABILITIES</u></b>	
Accounts payable	\$ 21,845
Due to other governmental units	10,576,068
Court and other trust deposits	1,706,833
Due to other funds	-
<b>Total liabilities</b>	<b><u>\$ 12,304,746</u></b>

# TOOELE COUNTY

## Notes to Financial Statements

### 1. REPORTING ENTITY AND ITS GOVERNMENT ACTIVITY

Tooele County (State of Utah) (the County) was organized on January 31, 1850, under a commission form of government. The County has a total land area of 6,923 square miles and a population of approximately 40,000 residents. The County's major operations include public safety (police and fire), highways and roads, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services. The County's fiscal authority includes responsibility for final approval over budgeting appropriations, for funding deficits and operating deficiencies, disposal of surplus funds, control over the collection and disbursement of funds, and maintenance of title to assets. The financial statements include the various departments, agencies, and other organizational units governed by the County Commission.

Discrete Component Unit - The financial statements include a component unit (Tooele County Recreation Special Service District). The component unit included in this report was selected using positive criteria as defined by the Governmental Accounting Standards Board. The component unit was included due to the County's ability to significantly influence operations, fiscal accountability, and the scope of public service.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Tooele County is presented to assist in understanding the County's financial statements. The financial statements and notes are representations of County officials who are responsible for their integrity and objectivity. The accounting policies of Tooele County conform to accounting principles generally accepted in the United States of America as applicable to governments and have been consistently applied in the preparation of the financial statements.

#### Government-Wide and Fund Financial Statements

The *government-wide financial statements* (i.e., statement of net assets and statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements to minimize the double-counting of internal activities. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Depreciation expense for capital assets that can specifically be identified with a function are included in its direct expenses. Depreciation expense for "shared" capital assets are ratably included in the direct expenses of the appropriate functions. Indirect expense allocations that have been made in the funds have been reversed for the statement of activities. Interest on general long-term liabilities is considered an indirect expense and is reported in the statement of activities as a separate line.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The *fund financial statements* provide information about the County's funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major, individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds.

**TOOELE COUNTY**  
**Notes to Financial Statements (Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Government-Wide and Fund Financial Statements (continued)**

The County reports the following funds:

**Governmental Fund Types** - These are the funds through which most governmental functions typically are financed. The acquisition, use, and balances of the County's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The funds included in this category are as follows:

**General Fund** - The General Fund is the general operating fund of the County. It is used to account for all financial resources covering the general services that the County performs for its citizens, except those required to be accounted for in other funds. This fund includes activities of the Payroll Fund.

**Special Revenue Funds** - These funds are established for the purpose of specific sources other than special assessments, trusts, or major capital projects that are legally restricted to expenditures for specified purposes.

**Debt Service Fund** - The Debt Service Fund is established for the purpose of accumulating resources for the payment of interest and principal on long-term general obligation debt, other than those payable from Enterprise Funds.

**Capital Projects Funds** - Capital Projects Funds are used to account for costs of construction and related funding sources other than those financed by proprietary funds and trust funds. Capital improvements are authorized by capital budget ordinances. Projects are funded by General Obligation bonds, Lease Revenue bonds, pay-as-you-go appropriations, and participation by developers, property owners, the State of Utah, and the Federal Government.

**Proprietary Fund Types** - Proprietary Funds account for operations that are organized to be self-supporting through user charges. The funds included in this category are the Enterprise Funds and the Internal Service Funds.

**Enterprise Funds** - These funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges. The Enterprise Funds include the Solid Waste Management Facility, Deseret Peak, and the Airport.

**Internal Service Funds** - These funds are used to account for the financing of goods or services provided by one department to other departments of the County on a cost-reimbursement basis. The County has an Internal Equipment Service Fund and a Central Stores Fund that are operated in this manner.

**Fiduciary Fund Types** - These funds account for assets held by the County as a trustee or agent for individuals, private organizations, and other units of governments. These funds are as follows:

**Agency Funds** - Agency Funds are used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. The Auditor's Trust is used to collect and disburse funds for various governmental entities. The Treasurer's Trust is used to collect and disburse the taxing funds to the taxing entities.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide, proprietary fund, and fiduciary fund financial statements are reported using the economic resources measurement focus and accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the County receives value without directly giving equal value in exchange, include property taxes, grants, and donations. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

The use of financial resources to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term debt of the County are reported as a reduction of the related liability, rather than an expenditure in the government-wide financial statements.

**TOOELE COUNTY**  
**Notes to Financial Statements (Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)**

*Governmental fund financial statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, Tooele County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items (licenses and permits, charges for services, fines and forfeitures, etc.) are considered to be measurable and available only when cash is received by the government.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in the governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, the County applies all Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, except those that conflict with or contradict GASB pronouncements. Those FASB statements and interpretations issued subsequent to November 30, 1989, are not applied.

**Budget and Budgetary Accounting**

Budgets for the General and Debt Service Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budgets are prepared and adopted by the County Commission on or before December 15, for the fiscal year commencing the following January 1, in accordance with State law. The operation budget includes proposed expenditures and the proposed sources of financing for such expenditures. Prior to December 15, a public hearing is conducted to obtain taxpayer input. Budgets are adopted and control of budget appropriations is exercised, under State law, at the department level. Budget amendments are required to increase expenditure budgets. The budgets presented in the financial statements are as amended as of December 14, 2004.

The General Fund budget is prepared using the modified accrual basis of accounting. Budgets for the Special Revenue Funds and Capital Projects Funds are also prepared using the modified accrual basis of accounting. Budgets for the Proprietary Fund types are prepared using the accrual basis of accounting, except that depreciation for all Proprietary Fund types was not budgeted.

**Cash Equivalents**

Cash equivalents are short-term, highly liquid investments with original maturities to the County of 90 days or less.

**Investments**

Investments are stated at cost or amortized cost, which approximates market.

**Short-Term Interfund Receivables/Payables**

During the course of operations, transactions occur that result in amounts owed to a particular fund by another fund, other than for goods provided or services rendered. These receivables and payables are due within a year and are classified as "due from or to other funds" on the balance sheet.

**Inventories**

Inventories of the Internal Service Funds (Central Stores Fund) and of the Special Revenue Funds (Aging and Adult Services Fund) are stated at cost on the first-in, first-out basis.

**TOOELE COUNTY**  
**Notes to Financial Statements (Continued)**

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Capital Assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, curbs, gutters, streets, sidewalks, drainage systems, lighting systems, and similar items) are reported in the applicable governmental or business-type columns in the government-wide financial statements. The County defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets, including interest costs during construction, are reported at cost or estimated historical cost. Donated capital assets are recorded at estimated fair value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not capitalized.

Depreciation of exhaustible capital assets is charged as an expense against operations, and accumulated depreciation is reported on the balance sheets. Depreciation has been provided using the straight-line method of depreciation over the following estimated useful lives:

Buildings	40 years
Improvements other than buildings	10-20 years
Machinery and equipment	7 years
Automobiles and trucks	3-7 years
Office furniture and equipment	3-5 years

When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is reflected in income for the period.

**Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, if any, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change. Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, other governments, or other funds.

**Compensated Absences**

For governmental funds, amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported as liabilities in the government-wide statement of net assets and as expenses in the government-wide statement of activities. No expenditures are reported for these amounts in the fund financial statements. Vested or accumulated unpaid vacation pay of proprietary funds is recorded as an expense and a liability of those funds as the benefits accrue to the employees and are thus recorded in both the government-wide financial statements and the individual fund financial statements. Sick pay, which does not vest, is recorded as an expense in all funds when leave is taken.

**Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires the government to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**TOOELE COUNTY**  
Notes to Financial Statements (Continued)

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**Comparative Data**

Comparative data for the prior year has been presented in certain sections of the accompanying financial statements in order to provide an understanding of changes in the County's financial position and operation. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

**Concentration of Credit Risk**

The County received about 25% of its governmental fund revenue from mitigation fees amounting to \$9,306,978. The mitigation fees are received from three sources, and accounts receivable at December 31, 2004 from these sources totaled \$0.

**Capital Leases**

The County has acquired certain assets under leases that are required by accounting principles generally accepted in the United States of America to be accounted for as capital leases. A capital lease is a lease that results in the leasee (the County) obtaining financing for the purchase of the leased assets. The present value of the lease payments, at inception of the leases, is recorded as a liability (see Note 8). This liability is reduced each year by the portion of lease payments representing principal, not interest. The cost of leased assets in the Enterprise Fund is amortized over the life of the assets and the amortization expense is included with depreciation expense.

**3. CASH AND CASH INVESTMENTS**

The County maintains a cash and investment pool that is available for use by all funds. In addition, investments are separately held by several of the County's funds.

Cash deposits are carried at cost plus accrued interest. The carrying amount of deposits is displayed on the balance sheet as "Cash and investments." Utah State statutes do not require deposits to be collateralized; however, financial institutions must be approved by the State Money Management Council.

The County follows the requirements of the Utah Money Management Act (Utah Code Annotated 1953 Section 51, Chapter 7) in handling its depository and temporary investment transactions. This law requires the depository of County funds in a "qualified depository." The act defined a "qualified depository" as any financial institution in whose deposits are insured by an agency of the Federal Government and which has been certified by the Commissioner of Financial Institutions as meeting the requirements of the Act and adhering to the rules of the Utah Money Management Council.

The Money Management Act also defines the types of securities allowed as appropriate temporary investments for the County and the conditions for making investment transactions. Investment transactions are to be conducted through qualified depositories or primary reporting dealers.

**Cash and cash equivalents, including Agency Fund Accounts**

	<u>Carrying Amount</u>	<u>Bank Balance</u>
Cash on hand	\$ 6,375	\$ -
Deposits - insured (FDIC)	300,000	300,000
Deposits - uninsured and uncollateralized	<u>13,753,616</u>	<u>14,195,158</u>
Total cash and deposits	14,059,991	14,495,158
Utah Public Treasurer's Investment Fund	<u>8,903,359</u>	<u>8,903,359</u>
Total cash and investments	<u>\$ 22,963,350</u>	<u>\$ 23,398,517</u>

Restricted cash amounting to \$1,574,376 is included in total cash and investments.

**TOOELE COUNTY**  
Notes to Financial Statements (Continued)

**3. CASH AND CASH INVESTMENTS (Continued)**

Cash and investments are categorized below to give an indication of the risk assumed by the County at December 31, 2004:

	Carrying Amount	Market Value
Category 1 - Insured or collateralized securities held by the County or its agent in the County's name	\$ 300,000	\$ 300,000
Category 2 - Uninsured and uncollateralized securities held by the County or its agent in the County's name	-	-
Category 3 - Uninsured and uncollateralized with securities held by the counter party, or its trust department or agent, but not in the County's name	13,759,991	13,759,991
Utah Public Treasurer's Investment Fund	8,903,359	8,903,359
Total cash and investments	<u>\$ 22,963,350</u>	<u>\$ 22,963,350</u>

**4. INTERFUND RECEIVABLES AND PAYABLES**

Interfund receivables and payables at December 31, 2004, were as follows:

	Interfund Receivables	Interfund Payables
General fund	\$ 4,010,800	\$ -
Payroll fund	-	-
Special revenue fund:		
Public health	-	-
Human services	-	-
Road maintenance	-	-
Municipal services	-	-
Aging & adult services	-	-
Transient room tax	-	800
Debt service	-	-
Capital projects	-	-
Proprietary funds:		
Enterprise funds:		
Solid waste management	-	1,000,000
Deseret Peak	-	820,000
Airport	-	2,190,000
Internal service funds:		
Intragovernmental service equipment	-	-
Central stores	-	-
Fiduciary funds:		
Agency funds:		
Auditor's trust	-	-
Treasurer's trust	-	-
Total interfund activity	<u>\$ 4,010,800</u>	<u>\$ 4,010,800</u>

**TOOELE COUNTY**  
Notes to Financial Statements (Continued)

**5. ACCOUNTS RECEIVABLE**

Accounts receivable, net of allowance for estimated uncollectible amounts consist of the following at December 31, 2004:

	Proprietary Funds			Fiduciary Funds	
	Gen./Special Revenue, and Capital Projects Funds	Solid Waste, Deseret Peak, and Airport Enterprise Funds	Internal Services	Agency - Auditor's Trust and Treasurer's Trust	Total
Accounts receivable	\$ 322,832	\$ 281,562	\$ 924	\$ 53,299	\$ 658,617
Less allowance for uncollectible amounts	-	12,429	-	-	12,429
Net accounts receivable	<u>\$ 322,832</u>	<u>\$ 269,133</u>	<u>\$ 924</u>	<u>\$ 53,299</u>	<u>\$ 646,188</u>

**6. PROPERTY TAX**

Property taxes attach as an enforceable lien on property as of January 15 of the year following levy. Taxes are levied in early fall and are payable by November 30th. The County bills and collects its own property taxes and also taxes for the State of Utah, cities, towns, school districts, and water conservancy districts. Collections of the county taxes and remittance of them to the Districts are accounted for in the Treasurer's Tax Fund. County property tax revenues are recognized when levied to the extent that they result in a current receivable. The collection of 2004 property taxes, including delinquent collections, have been apportioned by the County Treasurer and included as 2004 revenues in this report.

The portion invested and not turned over to the County funds has been set up as property taxes receivable on the governmental funds balance sheets at December 31, 2004. This amounted to \$727,538 at December 31, 2004 for the General Fund.

**7. CAPITAL ASSETS**

Changes in governmental capital assets are comprised of the following:

	Balance December 31, 2003	Additions	Deletions & Transfers	Balance December 31, 2004
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 3,362,268	\$ -	\$ -	\$ 3,362,268
Infrastructure	38,108,360	-	-	38,108,360
Total capital assets, not being depreciated	41,470,628	-	-	41,470,628
Capital assets, being depreciated:				
Buildings and improvements	13,364,098	-	-	13,364,098
Water rights	-	-	-	-
Furniture, fixtures, and equipment	8,073,703	1,770,416	1,108,450	8,735,669
Total capital assets, being depreciated	21,437,801	1,770,416	1,108,450	22,099,767
Accumulated depreciation for:				
Buildings and improvements	7,238,066	334,103	-	7,572,169
Water rights	-	-	-	-
Furniture, fixtures, and equipment	6,983,605	584,475	(16,876)	7,584,956
Total accumulated depreciation	14,221,671	918,578	(16,876)	15,151,255
Total capital assets, being depreciated, net	7,216,130	851,838	1,125,326	6,942,642
Governmental activities capital assets, net	<u>\$ 48,686,758</u>	<u>\$ 851,838</u>	<u>\$ 1,125,326</u>	<u>\$ 48,413,270</u>

**TOOELE COUNTY**  
Notes to Financial Statements (Continued)

**7. CAPITAL ASSETS (Continued)**

Changes in business-type capital assets are comprised of the following:

	Balance December 31, 2003	Additions	Deletions & Transfers	Balance December 31, 2004
<b>Business-type activities:</b>				
Land	\$ 459,295	\$ -	\$ -	\$ 459,295
Buildings and improvements	27,042,481	-	-	27,042,481
Furniture, fixtures, and equipment	<u>2,746,856</u>	<u>401,470</u>	<u>68,633</u>	<u>3,216,959</u>
Total capital assets, being depreciated	30,248,632	401,470	68,633	30,718,735
Less accumulated depreciation	<u>6,199,623</u>	<u>1,508,544</u>	<u>(77,469)</u>	<u>7,785,636</u>
Business-type activities capital assets, net	<u>\$ 24,049,009</u>	<u>\$ (1,107,074)</u>	<u>\$ 146,102</u>	<u>\$ 22,933,099</u>

For the year ended December 31, 2004, depreciation expense was charged to functions of the County as follows:

**Governmental activities:**

General government	\$ 255,749
Tourism and promotion	11,336
Public safety	316,740
Public health	165,180
Highways and public improvements	141,082
Parks and recreation	25,720
Conservation and economic development	473
Capital projects	6,588
Other administrative	<u>12,587</u>
Total depreciation expense, governmental activities	<u>\$ 935,454</u>

**Business-type activities:**

Solid waste	\$ 236,795
Deseret Peak	930,677
Airport	<u>418,541</u>
Total depreciation expense, business-type activities	<u>\$ 1,586,013</u>

**8. LONG-TERM DEBT**

Long-term liability activity for the year ended December 31, 2004 is as follows:

	Balance December 31, 2003	Additions	Retirements	Balance December 31, 2004	Due Within One Year
<b>Governmental activities:</b>					
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -
Lease revenue bonds	1,178,000	-	133,000	1,045,000	137,000
Lease revenue bonds	-	-	-	-	-
Equipment contract payable	<u>23,450</u>	-	<u>23,450</u>	-	-
Total governmental long-term liabilities	<u>\$ 1,201,450</u>	<u>\$ -</u>	<u>\$ 156,450</u>	<u>\$ 1,045,000</u>	<u>\$ 137,000</u>

**TOOELE COUNTY**  
Notes to Financial Statements (Continued)

**8. LONG-TERM DEBT (Continued)**

**Business-type activities:**

Enterprise fund lease revenue bonds	\$ 110,000	\$ -	\$ 110,000	\$ -	\$ -
Enterprise fund lease revenue bonds	1,020,000	-	45,000	975,000	45,000
Enterprise fund lease revenue bonds	473,214	-	5,584	487,630	5,855
Enterprise fund lease revenue bonds	253,510	-	14,197	239,313	14,881
Water rights contract payable	-	-	-	-	-
Enterprise fund sales tax revenue bonds	700,000	-	38,000	662,000	36,000
Enterprise fund sales tax revenue bonds	978,000	-	42,000	936,000	43,000
Note payable	327,480	-	161,165	166,315	166,315
Capital lease obligations	146,187	-	34,344	111,843	35,772
Capital lease obligations	25,388	-	25,388	-	-
Total business-type long-term liabilities	<u>4,033,779</u>	<u>-</u>	<u>475,678</u>	<u>3,558,101</u>	<u>346,823</u>
Total long-term debt	<u>\$ 5,235,229</u>	<u>\$ -</u>	<u>\$ 632,128</u>	<u>\$ 4,603,101</u>	<u>\$ 483,823</u>

Long-term debt at December 31, 2004, is comprised of the following:

\$2,500,000 lease revenue bond, Series 1989, due in annual installments ranging from \$68,958 (principal only) to \$163,000 (principal only) in 2011, with interest at 3.00%	\$ 1,045,000
\$68,893 equipment contract payable, due in annual installments ranging from \$22,252 (principal only) to \$23,450 (principal only) in 2004, with interest at 5.25%	-
\$1,500,000 lease revenue bond, Series 1993, due in annual installments ranging from \$110,000 (including principal and interest) to \$175,000 (including principal and interest) in 2004, with interest at 4.15% to 5.75%	-
\$1,200,000 lease revenue bond, Series 1998, due in annual installments ranging from \$30,000 (principal only) to \$100,000 (principal only) in 2018, with interest at 6.00%	975,000
\$500,000 lease revenue bond, Series 1998 B, due in annual installments ranging from \$4,403 (principal only) to \$26,716 (principal only) in 2038, with interest at 4.75%	467,630
Preliminary advance on \$331,800 lease revenue bond, Series 1998C, due in annual installments ranging from \$10,027 (principal only) to \$25,135 (principal only) in 2018, with interest at 4.75%	239,313
\$700,000 sales tax revenue bond, Series 2003 A, due in annual installments ranging from \$47,094 (including principal and interest) to \$48,058 (including principal and interest) in 2020, with interest at 1.70%	662,000
\$978,000 sales tax revenue bond, Series 2003 B, due in semi-annual installments ranging from \$12,141 (interest only) to \$78,463 (including principal and interest) in 2020, with interest at 2.35% to 4.50%	936,000
\$484,028 note payable, due in annual installments ranging from \$170,823 (including principal and interest) to \$171,220 (including principal and interest) in 2005, with interest at 2.91%	166,315
Total long-term debt	<u>\$ 4,491,258</u>

**TOOELE COUNTY**  
Notes to Financial Statements (Continued)

**8. LONG-TERM DEBT (Continued)**

Requirements to amortize long-term debt are as follows:

**Jail Facility Lease Revenue Bonds**

Year	Principal Amount
2005	\$ 137,000
2006	141,000
2007	145,000
2008	149,000
2009	154,000
Thereafter	<u>319,000</u>
	<u>\$ 1,045,000</u>

**Airport Lease Revenue Bonds**

Year	Principal Amount
2005	\$ 45,000
2006	50,000
2007	50,000
2008	55,000
2009	60,000
Thereafter	<u>715,000</u>
	<u>\$ 975,000</u>

**Airport Lease Revenue Bonds**

Year	Principal Amount
2005	\$ 5,855
2006	6,139
2007	6,437
2008	6,750
2009	7,078
Thereafter	<u>435,371</u>
	<u>\$ 467,630</u>

**TOOELE COUNTY**  
**Notes to Financial Statements (Continued)**

**8. LONG-TERM DEBT (Continued)**

**Tooele County Airport Revenue Bond**

<u>Year</u>	<u>Principal Amount</u>
2005	\$ 14,881
2006	15,600
2007	16,352
2008	17,142
2009	17,969
Thereafter	<u>157,369</u>
	<u>\$ 239,313</u>

**2003A Sales Tax Revenue Bond**

<u>Year</u>	<u>Principal Amount</u>
2005	\$ 36,000
2006	37,000
2007	38,000
2008	38,000
2009	39,000
Thereafter	<u>474,000</u>
	<u>\$ 662,000</u>

**2003B Sales Tax Revenue Bond**

<u>Year</u>	<u>Principal Amount</u>
2005	\$ 43,000
2006	45,000
2007	46,000
2008	48,000
2009	50,000
Thereafter	<u>704,000</u>
	<u>\$ 936,000</u>

**Note Payable**

<u>Year</u>	<u>Principal Amount</u>
2005	\$ 166,315
	<u>\$ 166,315</u>

**TOOELE COUNTY**  
Notes to Financial Statements (Continued)

**8. LONG-TERM DEBT (Continued)**

**Obligations under Capital Leases**

The County has entered into two lease agreements for heavy equipment. These agreements are cancelable by the County, should the funds not be budgeted by the County to cover the annual lease payments. The related assets and liabilities are carried in the Solid Waste Enterprise Fund (Komatsu lease) and the Deseret Peak Enterprise Fund (Caterpillar lease). These lease agreements have been recorded as capital leases since the leases are not expected to be canceled. Future minimum lease payments are as follows at December 31, 2004:

	Enterprise Funds
Equipment cost	\$ 456,014
Accumulated amortization	<u>(299,922)</u>
Net book value	<u>\$ 156,092</u>
Future minimum lease payments - payable in the years ending December 31:	
2005	\$ 38,992
2006	38,992
2007	<u>38,993</u>
Total	116,977
Less amount representing interest	<u>5,134</u>
Present value of net minimum lease payments	<u>\$ 111,843</u>

**9. PENSION PLANS**

**Tooele County - Local Governmental - Cost Sharing Defined Benefit Pension Plans**

**Plan Description:** Tooele County contributes to the Local Governmental Contributory Retirement System and the Local Governmental Noncontributory Retirement System, the Public Safety Retirement System for employers with/without Social Security coverage, and the Firefighters Retirement System for employers with/without Social Security coverage, all of which are cost-sharing multiple employer defined benefit pension plans administered by the Utah Retirement Systems (Systems). The Systems provide refunds, retirement benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries in accordance with retirement statutes.

The Systems are established and governed by the respective sections of Chapter 49 of the Utah Code Annotated 1953 (Chapter 49) as amended, which also establishes the Utah State Retirement Office (Office) for the administration of the Utah Retirement Systems and Plans. Chapter 49 places the Systems, the Office and related plans and programs under the direction of the Utah State Retirement Board (Board) whose members are appointed by the Governor. The Systems issue a publicly available financial report that includes financial statements and required supplementary information for the Systems and Plans. A copy of the report may be obtained by writing to the Utah Retirement Systems, 540 East 200 South, Salt Lake City, Utah 84102, or by calling 1-800-365-8772.

**TOOELE COUNTY**  
**Notes to Financial Statements (Continued)**

**9. PENSION PLANS (Continued)**

**Tooele County - Local Governmental - Cost Sharing Defined Benefit Pension Plans (Continued)**

**Funding policy:** Plan members in the Local Governmental Contributory Retirement System are required to contribute 6.00% of their annual covered salary (all or part may be paid by the employer for the employee), and Tooele County is required to contribute 5.61% for the six months January 2004 - June 2004 and 7.08% for the six months July 2004 - December 2004 of their annual covered salary. In the Local Governmental Noncontributory Retirement System, Tooele County is required to contribute 9.62% for the six months January 2004 - June 2004 and 11.09% for the six months July 2004 - December 2004 of their annual covered salary. In the Public Safety Retirement System, Tooele County is required to contribute 16.24% for the six months January 2004 - June 2004 and 19.08% for the six months July 2004 - December 2004 of their annual covered salary for members in the noncontributory division. The contribution rates are the actuarially determined rates. The contribution requirements of the Systems are authorized by statute and specified by the Board.

Tooele County contributions to the Local Governmental Contributory Retirement System for the years ending December 31, 2004, 2003, and 2002 were \$17,033, \$14,782, and \$13,500, respectively. Noncontributory Retirement System contributions for the years ending December 31, 2004, 2003, and 2002 were \$719,868, \$605,681, and \$529,510, respectively. For the Public Safety Retirement System, the contributions for the years ending December 31, 2004, 2003, and 2002 were \$341,222, \$272,752, and \$229,313, respectively. The contributions were equal to the required contributions for each year.

Tooele County participates in a Section 457 Deferred Compensation Plan and a 401(k) Deferred Compensation Plan. The accumulated amount of the employees deferred compensation contributed for the years ending December 31, 2004, 2003, and 2002 were \$56,973 and \$346,436, \$57,519 and \$308,574, and \$40,406 and \$276,887, respectively. The assets of the Section 457 Deferred Compensation Plan are trust funds held in trust for the exclusive benefit of the participants or their beneficiaries rather than the assets of the employer.

**10. COMMITMENTS AND CONTINGENCIES**

**Insurance - Retired Employees**

The County will allow a retiree credit to continue enrollment in the County's group insurance program, one year for each five years of full-time employment with the County until the retiree reaches age 65. The projected cost of this program cannot be reasonably estimated at this time.

**Litigation**

There are several cases against the County that are currently being handled by their insurance carrier, and should not have a material affect upon Tooele County's financial statements. In addition, the County is a defendant in a lawsuit with a company over rezoning issues amounting to \$6,000,000. The litigation is in the preliminary stages and the ultimate liability, if any, is not determinable at the date of this report.

**11. SUBSEQUENT EVENT**

Subsequent to year end, the County issued \$2,645,000 of Sales Tax Revenue Bonds, Series 2005. Principal is paid annually on February 1 of each year, and interest is paid semiannually on February 1 and August 1 of each year, through maturity on February 1, 2024.

**TOOELE COUNTY**  
**Notes to Financial Statements (Continued)**

**12. RESERVATION AND DESIGNATION OF FUND BALANCES**

The County has classified as reserved fund balance amounts applicable to Debt Service, workers compensation and early retirement, and prepaid expenses in relation to their specific purposes or designations for use. Such items are not available as net current assets for other general purposes.

**REQUIRED SUPPLEMENTARY INFORMATION**

## TOOELE COUNTY

### Condition and Ratings for the County's Road System For the Year Ended December 31, 2003

As allowed by GASB Statement 34, Tooele County has adopted the modified approach for reporting, where infrastructure assets are not depreciated, and maintenance and preservation costs are expensed. The County capitalizes costs related to new construction or major replacements under the modified approach.

Tooele County's entire Asphalt Pavement road network is 276.4 centerline miles of road, or approximately 3.7 million square yards. The purpose of this report is to document how Tooele County has met all the requirements of the modified approach including:

1. Keeping a current inventory of assets,
2. Doing a condition assessment at least once every three years based on an industry standard or measurement scale, and
3. Estimating the annual amount required to maintain and preserve the asset at or above an established level of service.

Tooele County has a program in place to track and manage the Asphalt Pavement road network. This information is updated on a regular basis. The inventory information maintained by the County includes road names, to and from roads, length, width, functional class, and importance.

The road department does a condition assessment of the entire road network every 3 years. Asphalt pavement distresses are identified and the condition of the road is recorded. The pavement distress identification process is based on the Distress Identification Manual for Long-Term Pavement Performance Projects (SHRP Distress Manual) published by the Strategic Highway Research Program (SHRP), which is the research arm of the Federal Highway Administration.

According to the SHRP Distress Manual, "The Distress Identification Manual for Long-Term Pavement Performance Projects was developed to provide a consistent, uniform basis for collecting distress data for the Long-Term Pavement Performance (LTPP) Program." The manual defines each type of pavement distress including specific distress severity levels. Using this information, Tooele County can determine the condition of each road and give each road a Remaining Service Life (RSL) value.

The years of service that exist in a road without accounting for potential treatments is referred to as remaining service life (RSL). Remaining service life is the value that can be used to express how many years this road will last if there are no treatments applied.

## TOOELE COUNTY

### Condition and Ratings for the County's Road System For the Year Ended December 31, 2003

Using the condition information, the County categorizes its roads into Excellent, Good, Fair, and Poor condition. Excellent roads have low severity distresses, require little or no maintenance, and have an RSL of 17-20. Good roads have medium severity distresses, can be preserved for an extended period of time with a surface treatment, and have an RSL of 9-16. Fair roads require rehabilitation such as thick overlay and have an RSL of 5-8. Poor roads require reconstruction and have an RSL of 0-4. The distribution of Tooele County's paved roads is listed below.

<u>Category</u>	<u>RSL</u>	<u>Percentage of Roads</u>
Excellent	17 to 20	4.32%
Good	9 to 16	50.57%
Fair	5 to 8	29.50%
Poor	0 to 4	15.61%

The service level that will be maintained by the County is an RSL of 8 (the average being Good condition), with less than 10% in the Poor condition category.

There are 832 miles of gravel roads and 237 miles of dirt roads in Tooele County. These roads are maintained so that a passenger car can travel these roads under dry conditions.

**SUPPLEMENTARY INFORMATION**

**TOOELE COUNTY**  
Combining Balance Sheet  
Non-Major Governmental Funds  
December 31, 2004

**Special Revenue Funds**

	Human Services	Public Health	Road Maintenance	Municipal Services	Aging and Adult Services	Transient Room Tax	Debt Service	Capital Projects	Total
<b>Assets:</b>									
Cash and investments	\$ 277,627	\$ 929,682	\$ 624,106	\$ 242,105	\$ 426	\$ 504,238	\$ 212,534	\$ 714,204	\$ 3,504,922
Accounts receivable	-	-	-	-	415	25,735	-	-	28,150
Due from other governmental units	-	-	34,230	94,933	28,068	-	-	2,410	159,641
Due from other funds	-	-	-	-	-	-	-	-	-
Inventory	-	-	-	-	-	-	-	-	-
Prepaid expenses	-	454	-	-	2,215	-	-	-	2,669
<b>Total assets</b>	<b>\$ 277,627</b>	<b>\$ 930,136</b>	<b>\$ 658,336</b>	<b>\$ 337,038</b>	<b>\$ 31,124</b>	<b>\$ 529,973</b>	<b>\$ 212,534</b>	<b>\$ 716,614</b>	<b>\$ 3,693,382</b>

**ASSETS**

**Assets:**  
Cash and investments  
Accounts receivable  
Due from other governmental units  
Due from other funds  
Inventory  
Prepaid expenses  
**Total assets**

**LIABILITIES AND FUND EQUITY**

<b>Liabilities:</b>									
Accounts payable	\$ 49,938	\$ 32,008	\$ 38,364	\$ 52,820	\$ 27,624	\$ 5,995	\$ -	\$ 105,762	\$ 312,511
Due to other funds	-	-	-	-	800	-	-	-	800
Deferred revenue	-	324,401	-	-	-	-	-	-	324,401
<b>Total liabilities</b>	<b>\$ 49,938</b>	<b>\$ 356,409</b>	<b>\$ 38,364</b>	<b>\$ 52,820</b>	<b>\$ 28,424</b>	<b>\$ 5,995</b>	<b>\$ -</b>	<b>\$ 105,762</b>	<b>\$ 637,712</b>
<b>Fund equity:</b>									
<b>Fund balances:</b>									
Reserved	-	454	-	-	2,215	-	212,534	610,852	826,055
Unreserved	227,689	573,273	619,972	284,218	485	523,978	-	-	2,229,615
<b>Total fund equity</b>	<b>\$ 227,689</b>	<b>\$ 573,727</b>	<b>\$ 619,972</b>	<b>\$ 284,218</b>	<b>\$ 2,700</b>	<b>\$ 523,978</b>	<b>\$ 212,534</b>	<b>\$ 610,852</b>	<b>\$ 3,055,670</b>
<b>Total liabilities and fund equity</b>	<b>\$ 277,627</b>	<b>\$ 930,136</b>	<b>\$ 658,336</b>	<b>\$ 337,038</b>	<b>\$ 31,124</b>	<b>\$ 529,973</b>	<b>\$ 212,534</b>	<b>\$ 716,614</b>	<b>\$ 3,693,382</b>

# TOOELE COUNTY

Combining Statement of Revenues, Expenditures, and Changes In Fund Balances  
Non-Major Governmental Funds  
For the Year Ended December 31, 2004

## Special Revenue Funds

	Human Services	Public Health	Road Maintenance	Municipal Services	Aging and Adult Services	Transient Room Tax	Debt Service	Capital Projects	Total
<b>Revenues:</b>									
Taxes	\$ -	\$ -	\$ -	\$ 959,740	\$ -	\$ 380,662	\$ -	\$ -	\$ 1,340,402
Licenses and permits	-	-	-	571,124	-	-	-	-	571,124
Intergovernmental revenues	985,409	994,932	2,323,977	37,228	394,726	-	-	96,652	4,832,924
Charges for services	-	673,811	-	7,996	165,149	-	-	-	846,956
Interest on investments	-	-	-	-	-	-	1,361	30,996	32,357
Other	-	19,134	9,858	-	59,117	7,497	-	-	95,606
<b>Total revenues</b>	<b>985,409</b>	<b>1,687,877</b>	<b>2,333,835</b>	<b>1,576,088</b>	<b>618,992</b>	<b>388,159</b>	<b>1,361</b>	<b>127,648</b>	<b>7,719,369</b>
<b>Expenditures:</b>									
General government	-	-	-	988,788	-	-	-	-	988,788
Tourism & promotion	-	-	-	-	-	301,600	-	-	301,600
Public health & human services	1,020,623	2,232,641	-	-	1,141,563	-	-	-	4,394,827
Highways and public improvements	-	-	3,575,976	-	-	-	-	-	3,575,976
Capital projects	-	-	-	-	-	-	-	175,292	175,292
Debt services:									
Principal retirement	-	-	-	-	-	-	133,000	-	133,000
Interest and fiscal charges	-	-	-	-	-	-	35,900	-	35,900
<b>Total expenditures</b>	<b>1,020,623</b>	<b>2,232,641</b>	<b>3,575,976</b>	<b>988,788</b>	<b>1,141,563</b>	<b>301,600</b>	<b>168,900</b>	<b>175,292</b>	<b>9,585,383</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(35,214)</b>	<b>(544,764)</b>	<b>(1,242,141)</b>	<b>607,300</b>	<b>(522,571)</b>	<b>86,559</b>	<b>(167,539)</b>	<b>(47,644)</b>	<b>(1,866,014)</b>
<b>Other financing resources:</b>									
Operating transfers in	168,300	590,572	655,000	-	520,000	-	168,900	325,000	2,427,772
Operating transfers out	-	-	-	(480,000)	-	(20,000)	-	-	(500,000)
<b>Total other financing sources (uses)</b>	<b>168,300</b>	<b>590,572</b>	<b>655,000</b>	<b>(480,000)</b>	<b>520,000</b>	<b>(20,000)</b>	<b>168,900</b>	<b>325,000</b>	<b>1,927,772</b>
<b>Excess (deficiency) of revenue and other sources over expenditures and other uses</b>	<b>133,086</b>	<b>45,808</b>	<b>(587,141)</b>	<b>127,300</b>	<b>(2,571)</b>	<b>66,559</b>	<b>1,361</b>	<b>277,356</b>	<b>61,758</b>
Fund balance (deficit), beginning of year	94,603	527,919	1,207,113	156,918	5,271	457,419	211,173	333,496	2,983,912
<b>Fund balance (deficit), end of year</b>	<b>\$ 227,689</b>	<b>\$ 573,727</b>	<b>\$ 619,972</b>	<b>\$ 284,218</b>	<b>\$ 2,700</b>	<b>\$ 523,978</b>	<b>\$ 212,534</b>	<b>\$ 610,852</b>	<b>\$ 3,055,670</b>

# TOOELE COUNTY

## Individual Fund Statement of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual -- General Fund (Minus the Payroll account) For the Year Ended December 31, 2004

	General		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 3,835,000	\$ 3,954,639	\$ 119,639
Licenses and permits	11,500	11,390	(110)
Intergovernmental revenues	6,898,357	6,884,083	(14,274)
Charges for services	1,357,064	1,345,636	(11,428)
Fines and forfeitures	726,500	723,544	(2,956)
Interest on investments	35,000	117,791	82,791
Mitigation fees	9,313,500	9,306,978	(6,522)
Other	306,000	219,965	(86,035)
<b>Total revenues</b>	<u>22,482,921</u>	<u>22,564,026</u>	<u>81,105</u>
<b>Expenditures:</b>			
General government	6,297,392	5,835,770	461,622
Public safety	9,676,710	8,427,290	1,249,420
Highways and public improvements	402,633	177,696	224,937
Parks and recreation	714,619	684,314	30,305
Conservation and economic development	42,000	12,579	29,421
Other administrative	2,591,687	334,887	2,256,800
<b>Total expenditures</b>	<u>19,725,041</u>	<u>15,472,536</u>	<u>4,252,505</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>2,757,880</u>	<u>7,091,490</u>	<u>4,333,610</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	588,570	588,570	-
Operating transfers out	(3,346,450)	(3,217,200)	129,250
<b>Total other financing sources (uses)</b>	<u>(2,757,880)</u>	<u>(2,628,630)</u>	<u>129,250</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	-	4,462,860	4,462,860
<b>Fund balance, beginning of year</b>	<u>5,894,335</u>	<u>5,894,335</u>	-
<b>Fund balance, end of year</b>	<u>\$ 5,894,335</u>	<u>\$10,357,195</u>	<u>\$ 4,462,860</u>

# TOOELE COUNTY

## Individual Fund Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Payroll Fund For the Year Ended December 31, 2004

	Payroll		Variance
	Budget	Actual	Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest on investments	-	-	-
Mitigation fees	-	-	-
Other	-	-	-
<b>Total revenues</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	-	-
Highways and public improvements	-	-	-
Parks and recreation	-	-	-
Conservation and economic development	-	-	-
Other administrative	-	-	-
<b>Total expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	-	201,287	201,287
Operating transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>201,287</u>	<u>201,287</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>201,287</u>	<u>201,287</u>
<b>Fund balance, beginning of year</b>	<u>1,554,506</u>	<u>1,554,506</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 1,554,506</u>	<u>\$ 1,755,793</u>	<u>\$ 201,287</u>

# TOOELE COUNTY

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Special Revenue Funds  
For the Year Ended December 31, 2004

	Human Services			Public Health			Road Maintenance		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental revenues	1,261,894	985,409	(276,485)	1,050,442	994,932	(55,510)	3,055,447	2,323,977	(731,470)
Charges for services	-	-	-	660,677	673,811	13,134	-	-	-
Other	-	-	-	19,500	19,134	(366)	11,000	9,858	(1,142)
<b>Total Revenues</b>	<b>1,261,894</b>	<b>985,409</b>	<b>(276,485)</b>	<b>1,730,619</b>	<b>1,687,877</b>	<b>(42,742)</b>	<b>3,066,447</b>	<b>2,333,835</b>	<b>(732,612)</b>
<b>Expenditures:</b>									
General government	-	-	-	-	-	-	-	-	-
Tourism and promotion	-	-	-	-	-	-	-	-	-
Public health and human services	1,430,194	1,020,623	409,571	2,321,191	2,232,641	88,550	-	-	-
Highways and public improvements	-	-	-	-	-	-	3,721,447	3,575,976	145,471
<b>Total expenditures</b>	<b>1,430,194</b>	<b>1,020,623</b>	<b>409,571</b>	<b>2,321,191</b>	<b>2,232,641</b>	<b>88,550</b>	<b>3,721,447</b>	<b>3,575,976</b>	<b>145,471</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>(168,300)</b>	<b>(35,214)</b>	<b>133,086</b>	<b>(590,572)</b>	<b>(544,764)</b>	<b>45,808</b>	<b>(655,000)</b>	<b>(1,242,141)</b>	<b>(587,141)</b>
<b>Other financing sources:</b>									
Operating transfers in	168,300	168,300	-	590,572	590,572	-	655,000	655,000	-
Operating transfers out	-	-	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>168,300</b>	<b>168,300</b>	<b>-</b>	<b>590,572</b>	<b>590,572</b>	<b>-</b>	<b>655,000</b>	<b>655,000</b>	<b>-</b>
<b>Excess (deficiency) of revenue and other sources over expenditures and other uses</b>	<b>-</b>	<b>133,086</b>	<b>133,086</b>	<b>-</b>	<b>45,808</b>	<b>45,808</b>	<b>-</b>	<b>(587,141)</b>	<b>(587,141)</b>
Fund balance (deficit), beginning of year	94,603	94,603	-	527,919	527,919	-	1,207,113	1,207,113	-
<b>Fund balance (deficit), end of year</b>	<b>\$ 94,603</b>	<b>\$ 227,689</b>	<b>\$ 133,086</b>	<b>\$ 527,919</b>	<b>\$ 573,727</b>	<b>\$ 45,808</b>	<b>\$ 1,207,113</b>	<b>\$ 619,972</b>	<b>\$ (587,141)</b>

**TOOELE COUNTY**  
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (Continued)  
Special Revenue Funds  
For the Year Ended December 31, 2004

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# TOOELE COUNTY

## Individual Fund Statement of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual -- Debt Service Fund For the Year Ended December 31, 2004

	Debt Service		
	Budget	Actual	Variance, Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 1,600	\$ -	\$ (1,600)
Licenses and permits	-	-	-
Intergovernmental revenues	-	-	-
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest on investments	1,400	1,361	(39)
Mitigation fees	-	-	-
Other	-	-	-
<b>Total revenues</b>	<u>3,000</u>	<u>1,361</u>	<u>(1,639)</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	-	-
Highways and public improvements	-	-	-
Parks and recreation	-	-	-
Conservation and economic development	-	-	-
Other administrative	3,000	-	3,000
Debt service:			
Principal retirement	387,000	133,000	254,000
Interest and fiscal charges	36,340	35,900	440
<b>Total expenditures</b>	<u>426,340</u>	<u>168,900</u>	<u>257,440</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(423,340)</u>	<u>(167,539)</u>	<u>255,801</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	423,340	168,900	254,440
Operating transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>423,340</u>	<u>168,900</u>	<u>254,440</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	-	1,361	510,241
Fund balance, beginning of year	<u>211,173</u>	<u>211,173</u>	-
<b>Fund balance, end of year</b>	<u>\$ 211,173</u>	<u>\$ 212,534</u>	<u>\$ 510,241</u>

# TOOELE COUNTY

## Individual Fund Statement of Revenues, Expenditures, and Changes in Fund Balance -- Budget and Actual -- Capital Projects Fund For the Year Ended December 31, 2004

	Capital Projects		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ -	\$ -	\$ -
Licenses and permits	-	-	-
Intergovernmental revenues	79,882	96,652	16,770
Charges for services	-	-	-
Fines and forfeitures	-	-	-
Interest on investments	-	30,996	30,996
Mitigation fees	-	-	-
Other	-	-	-
<b>Total revenues</b>	<u>79,882</u>	<u>127,648</u>	<u>47,766</u>
<b>Expenditures:</b>			
General government	-	-	-
Public safety	-	-	-
Highways and public improvements	-	-	-
Parks and recreation	-	-	-
Conservation and economic development	-	-	-
Capital projects	905,000	175,292	729,708
Other administrative	100,000	-	100,000
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
<b>Total expenditures</b>	<u>1,005,000</u>	<u>175,292</u>	<u>829,708</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(925,118)</u>	<u>(47,644)</u>	<u>877,474</u>
<b>Other financing sources (uses):</b>			
Operating transfers in	925,118	325,000	(600,118)
Operating transfers out	-	-	-
<b>Total other financing sources (uses)</b>	<u>925,118</u>	<u>325,000</u>	<u>(600,118)</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>-</u>	<u>277,356</u>	<u>277,356</u>
Fund balance, beginning of year	<u>333,496</u>	<u>333,496</u>	<u>-</u>
<b>Fund balance, end of year</b>	<u>\$ 333,496</u>	<u>\$ 610,852</u>	<u>\$ 277,356</u>

**TOOELE COUNTY**  
Combining Statement of Net Assets  
Internal Service Funds  
December 31, 2004

	Intragovernmental		
	Service Equipment	Central Stores	Total
<b>ASSETS</b>			
<b>Assets:</b>			
Cash and investments	\$ 1,115,719	\$ 1,319	\$ 1,117,038
Accounts receivable, net	924	-	924
Due from other funds	-	-	-
Inventories	-	12,721	12,721
Property, plant, and equipment, net	365,764	-	365,764
<b>Total assets</b>	<b>\$ 1,482,407</b>	<b>\$ 14,040</b>	<b>\$ 1,496,447</b>
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
Accounts payable	\$ -	\$ 7,024	\$ 7,024
Due to other funds	-	-	-
<b>Total liabilities</b>	<b>\$ -</b>	<b>\$ 7,024</b>	<b>\$ 7,024</b>
<b>NET ASSETS</b>			
<b>Net assets:</b>			
Invested in capital assets, net of related debt	\$ 365,764	\$ -	\$ 365,764
Unreserved	1,116,643	7,016	1,123,659
<b>Total net assets</b>	<b>\$ 1,482,407</b>	<b>\$ 7,016</b>	<b>\$ 1,489,423</b>

**TOOELE COUNTY**  
Combining Statement of Revenues, Expenses, and Changes in Net Assets  
Internal Service Funds  
For the Year Ended December 31, 2004

	Intragovernmental Service Equipment	Central Stores	Total
<b>Operating revenues:</b>			
Interfund lease payments	\$ 252,178	\$ -	\$ 252,178
Sale of supplies	-	78,245	78,245
<b>Total operating revenues</b>	<u>252,178</u>	<u>78,245</u>	<u>330,423</u>
<b>Operating expenses:</b>			
General and administrative	-	75,564	75,564
Depreciation	399,841	-	399,841
<b>Total operating expenses</b>	<u>399,841</u>	<u>75,564</u>	<u>475,405</u>
<b>Operating income (loss)</b>	<u>(147,663)</u>	<u>2,681</u>	<u>(144,982)</u>
<b>Other financing sources:</b>			
Operating transfers in	-	-	-
<b>Total other financing sources</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Non-operating revenues:</b>			
Interest on investments	11,790	93	11,883
<b>Total non-operating revenues</b>	<u>11,790</u>	<u>93</u>	<u>11,883</u>
<b>Change in net assets</b>	<u>(135,873)</u>	<u>2,774</u>	<u>(133,099)</u>
Net assets (liabilities), beginning of year	<u>1,618,280</u>	<u>4,242</u>	<u>1,622,522</u>
<b>Net assets (liabilities), end of year</b>	<u>\$ 1,482,407</u>	<u>\$ 7,016</u>	<u>\$ 1,489,423</u>

**TOOELE COUNTY**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2004

	Intragovernmental		
	Service Equipment	Central Stores	Total
<b>Cash flows from operating activities:</b>			
Receipts from interfund leases	\$ 252,178	\$ -	\$ 252,178
Receipts from sale of supplies	-	74,543	74,543
Payments for administration	-	(77,332)	(77,332)
<b>Net cash provided (used) by operating activities</b>	<u>252,178</u>	<u>(2,789)</u>	<u>249,389</u>
<b>Cash flows from noncapital financing activities:</b>			
Operating transfers in	-	-	-
<b>Net cash provided (used) by noncapital financing activities</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Cash flows from capital and related financing activities:</b>			
Purchase/disposal of capital assets	(308,172)	-	(308,172)
<b>Net cash provided (used) by capital and related financing activities</b>	<u>(308,172)</u>	<u>-</u>	<u>(308,172)</u>
<b>Cash flows from investing activities:</b>			
Interest income on investments	11,790	93	11,883
<b>Net cash provided (used) by investing activities</b>	<u>11,790</u>	<u>93</u>	<u>11,883</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	(44,204)	(2,696)	(46,900)
Cash and cash equivalents, beginning of year	1,159,923	4,015	1,163,938
Cash and cash equivalents, end of year	<u>\$ 1,115,719</u>	<u>\$ 1,319</u>	<u>\$ 1,117,038</u>
<b>Reconciliation of total operating income (loss) to net cash provided (used) by operating activities:</b>			
Operating income (loss)	\$ (147,663)	\$ 2,681	\$ (144,982)
<b>Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:</b>			
Depreciation	399,841	-	399,841
<b>(Increase) decrease in operating assets:</b>			
Accounts receivable, net	-	-	-
Prepaid expenses	-	-	-
Inventories	-	(3,702)	(3,702)
Due from other funds	-	-	-
<b>Increase (decrease) in operating liabilities:</b>			
Accounts payable	-	(1,768)	(1,768)
Due to other funds	-	-	-
<b>Net cash provided (used) by operating activities</b>	<u>252,178</u>	<u>(2,789)</u>	<u>249,389</u>

**TOOELE COUNTY**  
Combining Statement of Changes in Assets and Liabilities -  
All Agency Funds  
For the Year Ended December 31, 2004

	Balance at beginning of the year	Additions	Deductions	Balance at end of the year
<b>AUDITOR'S TRUST</b>				
<b>Assets:</b>				
Cash and investments	\$ 3,566,241	\$ -	\$ 1,890,862	\$ 1,675,379
Accounts receivable	18,308	34,991	-	53,299
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 3,584,549</b>	<b>\$ 34,991</b>	<b>\$ 1,890,862</b>	<b>\$ 1,728,678</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 21,845	\$ -	\$ 21,845
Due to other governmental units	2,510,072	-	2,510,072	-
Court and other trust deposits	1,074,477	632,356	-	1,706,833
<b>Total liabilities</b>	<b>\$ 3,584,549</b>	<b>\$ 654,201</b>	<b>\$ 2,510,072</b>	<b>\$ 1,728,678</b>
<b>TREASURER'S TRUST</b>				
<b>Assets:</b>				
Cash and investments	\$ 8,314,916	\$ 25,380,682	\$ 24,976,007	\$ 8,719,591
Taxes receivable	2,388,999	-	532,522	1,856,477
<b>Total assets</b>	<b>\$ 10,703,915</b>	<b>\$ 25,380,682</b>	<b>\$ 25,508,529</b>	<b>\$ 10,576,068</b>
<b>Liabilities:</b>				
Due to other governmental units	\$ 10,703,915	\$ 25,380,682	\$ 25,508,529	\$ 10,576,068
<b>Total liabilities</b>	<b>\$ 10,703,915</b>	<b>\$ 25,380,682</b>	<b>\$ 25,508,529</b>	<b>\$ 10,576,068</b>
<b>TOTALS - ALL AGENCY FUNDS</b>				
<b>Assets:</b>				
Cash and investments	\$ 11,881,157	\$ 25,380,682	\$ 26,866,869	\$ 10,394,970
Accounts receivable	18,308	34,991	-	53,299
Taxes receivable	2,388,999	-	532,522	1,856,477
Due from other funds	-	-	-	-
<b>Total assets</b>	<b>\$ 14,288,464</b>	<b>\$ 25,415,673</b>	<b>\$ 27,399,391</b>	<b>\$ 12,304,746</b>
<b>Liabilities:</b>				
Accounts payable	\$ -	\$ 21,845	\$ -	\$ 21,845
Due to other funds	2,510,072	-	2,510,072	-
Due to other governmental units	10,703,915	25,380,682	25,508,529	10,576,068
Court and other trust deposits	1,074,477	632,356	-	1,706,833
<b>Total liabilities</b>	<b>\$ 14,288,464</b>	<b>\$ 26,034,883</b>	<b>\$ 28,018,601</b>	<b>\$ 12,304,746</b>

**TOOELE COUNTY**  
Combining Balance Sheet  
Component Unit  
December 31, 2004

Tooele County  
Recreation  
Special Service  
District

**ASSETS**

**Assets:**

Cash and investments	\$	66,858
Accounts receivable		7,204
Due from other governmental units		-
		-
<b>Total assets</b>	<b>\$</b>	<b>74,062</b>
		74,062

**LIABILITIES AND FUND EQUITY**

**Liabilities:**

Accounts payable and accrued expenses	\$	18,225
<b>Total liabilities</b>		18,225

**Fund equity:**

**Fund balances:**

Reserved		55,837
Unreserved		-
<b>Total fund equity</b>		55,837

<b>Total liabilities and fund equity</b>	<b>\$</b>	<b>74,062</b>
		74,062

# TOOELE COUNTY

## Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Component Unit

For the Year Ended December 31, 2004

### Tooele County Recreation Special Service District

#### Revenues:

Mineral lease payment	\$ 20,122
Intergovernmental revenue	174,869
Hospital revenue	-
Interest on investments	-
<b>Total revenues</b>	<u>194,991</u>

#### Expenditures:

General government	1,770
Recreation support	-
Hospital support	-
Capital projects	173,238
<b>Total expenditures</b>	<u>175,008</u>

**Excess (deficiency) of revenues over (under)  
expenditures**

19,983

#### Other financing resources:

Operating transfers in	-
<b>Total other financing resources</b>	<u>-</u>

**Excess (deficiency) of revenues and other  
sources over (under) expenditures  
and other uses**

19,983

Fund balance, beginning of year

35,854

Fund balance, end of year

\$ 55,837

**TOOELE COUNTY**  
Schedule of Taxable Values, Taxes Charged, and Taxes Collected  
For the Year Ended December 31, 2004

Taxing Unit	Year-End Taxable Value					Taxes					Treasurer's Relief		
	Year-End Real Value (After BOE)	Year-End SA Value (After BOE)	Total Real & SA RDA Value	Adjusted Real & SA Value	Year-End Perm. Prop. RDA Value	Current Tax Rate	Prior Tax Rate	Real & SA Charged	Per Prop.	Charged	Unpaid Taxes	Abate- Months	Other
<b>Totals</b>	<b>\$ 776,642,324</b>	<b>\$ 27,167,405</b>	<b>\$ 79,034,854</b>	<b>\$ 723,775,575</b>	<b>\$ 81,017,027</b>	<b>0.002321</b>	<b>0.002325</b>	<b>\$ 2,041,771</b>	<b>\$ 144,123</b>	<b>\$ 2,185,894</b>	<b>\$ 143,180</b>	<b>\$ 26,228</b>	<b>\$ 20,527</b>
Town City	196,430,830	8,161,065	-	194,591,895	4,892,074	0.002321	0.002325	4,537,821	15,376	4,553,197	28,060	7,800	695
Granville City	32,193,031	1,501,817	-	30,691,214	3,113,543	0.002321	0.002325	704,405	9,220	713,625	3,900	-	45
Wendover City	14,896,891	1,895,717	-	16,792,608	87,501	0.002321	0.002325	384,000	288	384,288	5,144	1,335	103
Stokton Town	4,358,991	1,443,196	-	5,802,187	86,263	0.002321	0.002325	134,800	85	134,885	345	14	8
Vernon Town	38,703,108	2,007,084	-	40,710,192	3,495,305	0.002321	0.002325	944,000	709	944,709	221	66	265
Leisure Improvement District	145,725,122	3,120,480	-	148,845,602	2,884,320	0.002321	0.002325	3,372,940	483	3,373,423	840	200	3
Stearns Park	8,490,000	25,877	-	8,515,877	1,050	0.002321	0.002325	195,800	6	195,806	8	-	5
Orin Town	8,774,100	24,877	-	8,798,977	1,050	0.002321	0.002325	201,162	6	201,168	8	-	5
Rush Valley Town	1,480,892,000	219,884,850	-	1,699,776,850	86,082	0.002321	0.002325	391,176	95,792	391,176	13,861	13,861	185,223
Tooele County General	1,438,892,000	219,884,850	-	1,658,776,850	86,082	0.002321	0.002325	391,176	95,792	391,176	13,861	13,861	185,223
Tooele Valley Regional Medical Center	1,438,892,000	219,884,850	-	1,658,776,850	86,082	0.002321	0.002325	391,176	95,792	391,176	13,861	13,861	185,223
Tooele County School District	810,488,000	109,519,485	-	919,997,485	16,814,167	0.002321	0.002325	212,824	6,720	212,824	2,065	287	34,446
Stansbury Greenbelt	141,205,278	2,705,463	-	143,910,741	2,884,320	0.002321	0.002325	328,000	3,996	328,000	1,587	20	8,865
Stansbury Recreation	419,892,000	109,169,862	-	529,061,862	34,226,071	0.002321	0.002325	1,212,176	4,839	1,212,176	27,180	967	180
West End Improvement District	48,203,714	22,864,012	-	71,067,726	416,911	0.002321	0.002325	1,631,176	27	1,631,176	630	39	21
Rush Valley Year Community District	48,203,714	22,864,012	-	71,067,726	416,911	0.002321	0.002325	1,631,176	27	1,631,176	630	39	21
Lake Point Cemetery	98,174,296	1,251,760	-	99,426,056	882,264	0.002321	0.002325	2,284,000	802	2,284,000	2,117	92	5
No. Tooele BCD	1,171,200	164,764	-	1,335,964	1,860,867	0.002321	0.002325	31,176	228	31,176	2,117	92	5
Stansbury School	1,438,892,000	219,884,850	-	1,658,776,850	86,082	0.002321	0.002325	391,176	95,792	391,176	13,861	13,861	185,223
Stansbury Local A & C	1,438,892,000	219,884,850	-	1,658,776,850	86,082	0.002321	0.002325	391,176	95,792	391,176	13,861	13,861	185,223
Tooele County Uniform A & C	1,438,892,000	219,884,850	-	1,658,776,850	86,082	0.002321	0.002325	391,176	95,792	391,176	13,861	13,861	185,223
Tooele County Debt Service	8,490,000	25,877	-	8,515,877	1,050	0.002321	0.002325	195,800	6	195,806	8	-	5
Sullivan BCD	8,490,000	25,877	-	8,515,877	1,050	0.002321	0.002325	195,800	6	195,806	8	-	5
Tooele - Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Granville - Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Wendover - Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Stokton - Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
General - Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Hospital - Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Marquette - Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
NTCPD - Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Tooele RDA	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
County RDA	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Hospital RDA	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Schools RDA	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Debt Service RDA	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
County AAC RDA	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
Tooele RDA Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
County RDA Judge	-	-	-	-	-	0.000000	0.000000	-	-	-	-	-	-
<b>Totals</b>	<b>\$ 11,108,872,270</b>	<b>\$ 1,823,241,181</b>	<b>\$ 12,932,113,451</b>	<b>\$ 12,932,113,451</b>	<b>\$ 739,844,793</b>	<b>\$ 13,123,853,864</b>	<b>\$ 13,123,853,864</b>	<b>\$ 10,975,039</b>	<b>\$ 1,240,376</b>	<b>\$ 12,115,415</b>	<b>\$ 1,699,097</b>	<b>\$ 123,375</b>	<b>\$ 115,404</b>
													<b>\$ 2,657,476</b>

# TOOELE COUNTY

## Schedule of Taxable Values, Taxes Charged, and Taxes Collected (Continued) For the Year Ended December 31, 2004

Taxing Unit	Taxes Collected	Collection Rate	Fee In Lieu	Misc. Collection	Other Collections				Total Collections
					Delinquencies			Total Other Collections	
					Tax	Interest/ Penalty			
Tooele City	\$ 1,989,952	91.04%	\$ 421,905	\$ 27,936	\$ 125,512	\$ 6,809	\$ 582,162	\$ 2,572,114	
Grantsville City	515,727	93.28%	122,854	1,920	45,261	2,870	172,905	688,632	
Wendover City	159,680	97.54%	16,261	-	14,523	631	31,415	191,095	
Stockton Town	47,806	87.90%	15,034	-	5,248	265	20,548	68,353	
Vernon Town	4,832	92.72%	1,728	-	356	14	2,098	6,730	
Lakepoint Improvement District	8,433	96.62%	1,457	53	775	34	2,319	10,752	
Stansbury Park	22,081	95.08%	4,201	1,406	1,046	40	6,693	28,774	
Ophir Town	549	99.14%	45	-	30	1	76	625	
Rush Valley Town	13,638	94.76%	4,015	322	969	88	5,394	19,032	
Tooele County General	1,427,303	90.15%	250,788	22,946	100,032	93,768	467,534	1,894,837	
Tooele Valley Regional Medical Center	-	0.00%	-	-	-	-	-	-	
Tooele County School District	2,724,415	90.05%	479,341	43,800	174,965	7,933	706,039	3,430,454	
Tooele County Mosquito Abatement	218,128	86.33%	38,549	5,606	13,423	599	58,177	276,305	
Stansbury Greenbelt	168,147	94.99%	32,750	8,345	7,726	299	49,120	217,267	
Stansbury Recreation	230,940	94.99%	44,988	11,463	10,811	424	67,686	288,626	
No. Tooele County Fire District	196,702	87.40%	22,428	5,384	8,716	361	36,889	233,591	
West Erda Improvement District	-	0.00%	-	-	-	-	-	-	
Rush Valley Water Conservancy District	4,063	87.23%	707	23	406	15	1,151	5,214	
Lake Point Cemetery	9,509	96.60%	1,646	60	894	41	2,641	12,150	
No Tooele SSD	22,055	90.88%	2,372	25	3,136	156	5,689	27,744	
Saddleback Special School - Local	-	0.00%	-	-	-	-	-	-	
State Uniform A & C	10,740,384	90.14%	1,888,839	172,700	687,629	30,394	2,779,562	13,519,946	
Tooele County Uniform A & C	286,681	90.54%	48,024	4,375	18,099	885	71,383	358,064	
Tooele County Debt Service	301,214	90.15%	53,038	4,851	19,225	910	78,024	379,238	
Southrim SSD	-	0.00%	-	-	-	-	-	-	
Tooele - Judge	-	0.00%	-	-	-	-	-	-	
Granville - Judge	-	0.00%	-	-	143	23	166	166	
Wendover - Judge	-	0.00%	-	-	23	5	28	28	
Stockton - Judge	-	0.00%	-	-	25	4	29	29	
General - Judge	-	0.00%	-	-	49	10	59	59	
Hospital - Judge	-	0.00%	-	-	284	48	332	332	
Mosquito - Judge	-	0.00%	-	-	-	-	-	-	
NTCFPD - Judge	-	0.00%	-	-	9	2	11	11	
Tooele RDA	-	0.00%	-	-	5	1	6	6	
County RDA	-	0.00%	-	-	-	-	-	-	
Hospital RDA	-	0.00%	-	-	-	-	-	-	
Schools RDA	-	0.00%	-	-	-	-	-	-	
Debt Service RDA	-	0.00%	-	-	-	-	-	-	
County A&C RDA	-	0.00%	-	-	-	-	-	-	
Tooele RDA Judge	-	0.00%	-	-	-	-	-	-	
County RDA Judge	-	0.00%	-	-	-	-	-	-	
Totals	\$ 19,092,039		\$ 3,450,970	\$ 311,215	\$ 1,239,320	\$ 146,630	\$ 5,148,135	\$ 24,240,174	

**TOOELE COUNTY**  
**Schedule of Expenditures of Federal Awards**  
**For the Year Ended December 31, 2004**

<b>Federal Grantor / Pass Through Grantor Program Title</b>	<b>Federal CFDA Number</b>	<b>Pass-Thru Grantor's Number</b>	<b>Expenditures</b>
<b><u>U.S. Department of Justice</u></b>			
Passed through Utah State Attorney General:			
Children's Justice Grants to States	93.643	040569	\$ 129,726
Passed through State Comm. on Criminal & Juvenile Justice:			
Byrne Formula Grant Program	16.579	2004-DB-BX-0049	3,576
Crime Victims Assistance - VOCA	16.575	04-VOCA-44	16,857
Project Safe Neighborhood	N/A	2004-GP-CX-0531	11,500
<b><u>Forest Service/Bureau of Land Management</u></b>			
Cooperative Forestry Assistance	10.664	04-2348	28,000
<b><u>U.S. Department of Interior</u></b>			
Forest Reserve Allocation	N/A		34,230
<b><u>Federal Emergency Management Agency</u></b>			
Passed through State Department of Public Safety:			
*C.S.E.P.P. Grant	97.040	DES-CSEPP-2004-002	2,410,405
*C.S.E.P.P./Medical	97.040	DES-CSEPP-2004-002	1,690,000
Emergency Management Performance Grant	97.042		106,231
<b><u>Federal Aviation Administration</u></b>			
F.A.A. 2004 Entitlement	20.106	DOT-FA04NM-1116	78,294
Utah Aeronautics Grant	N/A	DOT-FA04NM-1116	2,500
<b><u>U.S. Department of Homeland Security</u></b>			
State and Local Assistance	97.042		7,350
State and Local All Hazards Emergency Operations Planning	97.051		10,422
State Domestic Preparedness Equipment Support Program - 2003	97.004		7,419
State Domestic Preparedness Equipment Support Program - 2004	97.004		194,407
State Domestic Preparedness Equipment Support Program - 2004	97.004		48,064
Community Emergency Response Teams (C.E.R.T.)	97.054		3,503
Assistance to Firefighters	97.044	EMW-2003-FG-01635	67,998
Assistance to Firefighters	97.044	EMW-2004-FG-19336	90,000
<b><u>U.S. Department of Natural Resources</u></b>			
Fire Department Assistance	97.044		18,700
<b><u>U.S. Department of Agriculture</u></b>			
Passed through Utah Department of Health:			
*Women, Infants and Children - Administration	10.557	04-1067	289,631
*Women, Infants and Children - Food	10.557	04-1067	907,722
Elderly Feeding Program	10.550		35,465
<b><u>Community Services Block Grant</u></b>			
Community Services Block Grant	93.569	040812	3,937

\*Major Program

**TOOELE COUNTY**  
Schedule of Expenditures of Federal Awards  
For the Year Ended December 31, 2004

Federal Grantor / Pass Through Grantor Program Title	Federal CFDA Number	Pass-Thru Grantor's Number	Expenditures
<b><u>Community Development Block Grant</u></b>			
Community Development Block Grant - Childrens Justice Center	14.228	04-0130	2,522
Community Development Block Grant - The Road Home	N/A		9,500
<b><u>Community Development Block Grant</u></b>			
Passed through State Department of Community and Econ. Development to a subrecipient, Tooele County Housing Authority:			
Community Development Block Grant Program	14.228	04-0594	36,153
<b><u>Health Care Finance Administration</u></b>			
Health Insurance Counseling	93.779		5,599
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed through State Department of Health:			
MCH Block Grant	93.994	050252	41,663
General Health Services	93.991	042181	120,840
Utah Cancer Control Program	93.919	042094	20,308
STD Culture and Investigation	93.977	041822	7,761
Immunization Program	93.268	032114	68,437
Oral Health Program	93.110	032114	4,000
T.B. Medication Program	93.116	041822	12,171
LHD=ChEC	93.778	042195	33,601
Diabetes Today	93.988	042094	5,240
*Comprehensive Tobacco Program	93.283	032118	58,539
*Bioterrorism	93.283	041378	276,004
Choice of Health Care Delivery, Consumer Ed. & Assist.	93.778	032084	45,595
Cardiovascular	93.991	032118	34,344
Heart Disease	93.991	032118	116,643
MCH Injury Prevention	93.994	032118	23,584
Child Injury Prevention	93.994	042094	9,496
Abstinence Education	93.235	050252	75,148
Child Adolescence School Health - Home Visiting	93.994	032114	18,443
Capitalizat. Grants for Drinking Water State Revolv. Funds - Environ. Serv.	66.468	042181	125,488
Performance Partnership Grants - Environmental Services	66.605	042181	3,200
HIV Aids Counseling and Education	93.940	041822	2,130
Indoor Clean Air	N/A	042181	2,336
*WIC Tobacco Cessation	93.283	042094	23,736
*Tobacco Prevention and Control - Compliance	93.283	042094	44,834
Early Childhood Development Program	93.778	011901	70,754
Vaccines	N/A		56,299
Passed through State Department of Human Services:			
Social Services Block Grant	93.667	585	79,117
Title III, B Supportive Services & Seniors	93.044		81,878
Title III, C Nutrition Services	93.045		173,004
Title III, PT F Disease Prevention and Promotion Services	93.043		6,525
Title VII, Long-Term Care Ombudsman Services for Older Individuals	93.042		6,803

**Total Expenditures of Federal Awards**

**\$ 7,897,632**

\*Major Program

## **TOOELE COUNTY**

### **Notes to Schedule of Expenditures of Federal Awards**

#### **1. SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Expenditures of Federal Awards is a summary of activities related to the County's expenditure of federal awards. The schedule has been prepared on the accrual basis of accounting, as contemplated by generally accepted accounting principles. Most of the awards are reimbursement based. Therefore, as expenditures of federal funds are made, revenue is recognized.

#### **2. ACCOUNTS RECEIVABLE**

The financial statements include accounts receivable from federal programs. These receivables are recorded according to the same basis of accounting as the financial statements. The receivables reflect federal awards that have been expended by year end and not yet reimbursed.

**TOOELE COUNTY**  
**Schedule of Findings and Questioned Costs**  
**For the Year Ended December 31, 2004**

**A SUMMARY OF AUDIT RESULTS**

1. The auditors' report expresses an unqualified opinion on the financial statements of Tooele County.
2. No reportable conditions were disclosed during the audit of the financial statements.
3. No instances of noncompliance material to the financial statements of Tooele County were disclosed during the audit.
4. No reportable conditions were disclosed during the audit of the major federal award programs.
5. The auditors' report on compliance for the major federal award programs for Tooele County express an unqualified opinion.
6. Audit findings relative to the major federal award programs for Tooele County are reported in Part C of this schedule.
7. The programs tested as major programs include:

C.S.E.P.P/Medical	97.040
C.S.E.P.P Grant	97.040
Women, Infants, and Children - Administration	10.557
Women, Infants, and Children - Food	10.557

8. The threshold for distinguishing Types A and B programs was \$300,000.
9. Tooele County was determined to be a low-risk auditee.

**B FINDINGS - FINANCIAL STATEMENTS AUDIT**

None

**C FINDINGS AND QUESTIONED COSTS - MAJOR AWARD PROGRAMS**

None



**Haynie &  
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**Certified Public Accountants** (a professional corporation)

1785 West Printers Row Salt Lake City, Utah 84119 (801) 972-4800 Fax (801) 972-8941

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Board of County Commissioners  
**Tooele County, State of Utah**

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of **Tooele County, State of Utah (the County)** as of and for the year ended December 31, 2004, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 15, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the County's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements and not to provide an opinion on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, others within the organization, the County Commission, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Haynie & Co*

Salt Lake City, Utah  
August 15, 2005

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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH  
MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN  
ACCORDANCE WITH OMB CIRCULAR A-133**

Honorable Board of County Commissioners  
Tooele County, State of Utah

**Compliance**

We have audited the compliance of Tooele County, State of Utah (the County) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2004. The County's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the County's management. Our responsibility is to express an opinion on the County's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

**Internal Control Over Compliance**

The management of the County is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the County Commission, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

*Haynie & Co*

Salt Lake City, Utah  
August 15, 2005



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**REPORT ON LEGAL COMPLIANCE APPLICABLE  
TO UTAH STATE LAWS AND REGULATIONS**

Honorable Board of County Commissioners  
**Tooele County, State of Utah**

We have audited the basic financial statements of **Tooele County, State of Utah (the County)** for the year ended December 31, 2004 and have issued our report thereon dated August 15, 2005. As part of our audit, we have audited **Tooele County, State of Utah's** compliance with the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; and special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah's *Legal Compliance Audit Guide* for the year ended December 31, 2004. The County received the following major State assistance programs from the State of Utah:

B & C Road Funds (Department of Transportation)  
Liquor Law Enforcement (State Tax Commission)  
General Health (Department of Health)

The County also received the following nonmajor grants, which are not required to be audited for specific compliance requirements. However, these programs were subject to test work as part of the audit of **Tooele County, State of Utah's** financial statements:

Tobacco Free Utah (Department of Health)  
Cancer Screening (Department of Health)  
Sexually Transmitted Diseases (Department of Health)  
Public Health Computer Network (Department of Health)  
Cancer Control (Department of Health)  
Infant Development (Department of Health)

Our audit also included test work on the County's compliance with those general compliance requirements identified in the State of Utah *Legal Compliance Audit Guide*, including:

Public Debt  
Cash Management  
Purchasing Requirements  
Budgetary Compliance  
Truth in Taxation and Property Tax Limitations  
Liquor Law Enforcement  
Justice Courts Compliance  
B & C Road Funds  
Special Districts  
Other General Compliance Issues  
Uniform Building Code Standards  
Statement of Taxes Charged, Collected, and Disbursed  
Assessing and Collecting of Property Taxes  
Transient Room Tax

The management of Tooele County, State of Utah is responsible for the County's compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed immaterial instances of noncompliance with the requirements referred to above, which are described in the accompanying Schedule of Findings. We considered these instances of noncompliance in forming our opinion on compliance, which is expressed in the following paragraph.

In our opinion, Tooele County, State of Utah complied, in all material respects, with the general compliance requirements identified above and the requirements governing types of services allowed or unallowed; eligibility; matching, level of effort, or earmarking; reporting; and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2004.

*Haynie & Co*

Salt Lake City, Utah  
August 15, 2005

**TOOELE COUNTY**  
**Schedule of Findings - Compliance - State of Utah**  
**For the Year Ended December 31, 2004**

**CURRENT YEAR FINDINGS**

**Statement of Condition - 04-1:**

The unclaimed property report was not prepared and submitted to the State Treasurer's Office, Division of Unclaimed Property.

**Criteria**

Per *Utah Code* 67-4a-210 and 301, a government entity holding property for more than one year after the property became payable or distributable must report and remit the property to the State Treasurer's Office, Division of Unclaimed Property, by May 1 for the calendar year ended December 31.

**Cause**

The County has just not gone through the unclaimed property list to ensure that the items were properly included on the report and remitted to the State Treasurer's Office, Division of Unclaimed Property.

**Effect**

The County is not in compliance with State law.

**Recommendation:**

We recommend that the County remit the unclaimed property report to the State Treasurer's Office, Division of Unclaimed Property.

**Response:**

We concur with the auditors recommendations and will remit the unclaimed property report to the State Treasurer's Office, Division of Unclaimed Property.

**Statement of Condition - 04-2:**

We noted instances at the Sheriff's Office where receipts were not deposited daily or within three banking days.

**Criteria**

Receipts should be deposited daily or within three banking days, as required by *Utah Code* 51-4-2(2).

**Cause**

The Sheriff's Office is just not completing the deposit and ensuring that it is taken to the bank at least every three business days.

**Effect**

The County is not in compliance with State law.

**Recommendation:**

We recommend that procedures be established to assure that deposits are made in accordance with the compliance requirement.

**Response:**

We concur with the recommendation and will establish corrective procedures.

**TOOELE COUNTY**  
**Schedule of Findings - Compliance - State of Utah**  
**For the Year Ended December 31, 2004**

**Statement of Condition - 04-3:**

We noted that justice court funds for 5 of 12 months were not remitted to the Utah State Treasurer on or before the 10th day of the month following collection.

**Criteria**

Justice court funds should be remitted to the Utah State Treasurer on or before the 10th day of the month following collection as required by *Utah Code* 51-4-2.

**Cause**

The funds are not being remitted timely enough from the justice court to the County and then from the County to the Utah State Treasurer.

**Effect**

The County is not in compliance with State law.

**Recommendation:**

We recommend that procedures be established to ensure that justice court funds collected in the previous month are remitted to the Utah State Treasurer by the 10th day of the following month.

**Response:**

We concur with the recommendation and will establish procedures to comply.

**Statement of Condition - 04-4:**

The County Treasurer did not disburse all tax monies collected during the preceding month to the appropriate taxing entities by the tenth day of the following month.

**Criteria**

The County Treasurer should disburse all tax monies collected during the preceding month to the appropriate taxing entities by the tenth day of the following month, as required per *Utah Code* 59-2-1365.

**Cause**

Due to receiving the County Assessor's report late, the County Treasurer did not timely disburse all tax monies to the appropriate taxing entities.

**Effect**

The County is not in compliance with State law.

**Recommendation:**

We recommend that the County ensure that the tax monies be properly disbursed by the tenth day of each month.

**Response:**

We concur with the recommendation and will establish procedures to comply.

**TOOELE COUNTY**  
**Schedule of Findings - Compliance - State of Utah**  
**For the Year Ended December 31, 2004**

**Statement of Condition - 04-5:**

One \$130 Landfill cash receipt item, out of our sample of 30 items, could not be located; thus, we were unable to verify if it was properly recorded in the system and deposited in the bank.

**Criteria**

All cash receipts should be properly safeguarded, controlled, and accounted for, recorded in the accounting system/general ledger, and properly deposited in the bank.

**Cause**

Due to the Landfill changing offices and moving computers and information, our one cash receipt sample item could not be located.

**Effect**

Cash receipts have the potential of not being properly safeguarded, recorded, and deposited in the bank; therefore, there is a risk of misappropriating funds.

**Recommendation:**

We recommend that the County ensure that all cash receipts are safeguarded, recorded in the system/general ledger, and deposited in the bank.

**Response:**

We concur with the recommendation and will establish procedures to comply.

**PRIOR YEAR FINDINGS**

The County had a deficit fund balance in the Solid Waste Management Fund in 2003, and the Tooele Hospital Special Service District accumulated a general fund balance in excess of 50% of the total general fund's revenues, both of which have been resolved this year. The County had similar conditions related to the 3-day banking requirement at the Sheriff's Office, the Justice Court funds not being remitted to the Utah State Treasurer on or before the 10th day of the month following collection, and the County Treasurer, due to receiving the County Assessor's report late, not disbursing all tax monies collected during the preceding month to the appropriate taxing entities by the tenth day of the following month in 2003.